

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2025

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-12154

**Waste Management, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**73-1309529**

(I.R.S. Employer  
Identification No.)

**800 Capitol Street  
Suite 3000**

**Houston, Texas 77002**

(Address of principal executive offices)

**(713) 512-6200**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 par value	WM	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The number of shares of Common Stock, \$0.01 par value, of the registrant outstanding at July 25, 2025 was 402,830,315 (excluding treasury shares of 227,452,146).

**PART I.**

**Item 1. Financial Statements.**

**WASTE MANAGEMENT, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(In Millions, Except Share and Par Value Amounts)

	June 30, 2025 (Unaudited)	December 31, 2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 440	\$ 414
Accounts receivable, net of allowance for doubtful accounts of \$187 and \$165, respectively	3,407	3,272
Other receivables, net of allowance for doubtful accounts of \$3 and \$4, respectively	524	415
Parts and supplies	224	206
Other current assets	389	467
Total current assets	4,984	4,774
Property and equipment, net of accumulated depreciation and depletion of \$24,477 and \$23,777 respectively	19,963	19,340
Goodwill	13,886	13,438
Other intangible assets, net	3,964	4,188
Restricted funds	553	413
Investments in unconsolidated entities	810	846
Other long-term assets	1,562	1,568
Total assets	<u>\$ 45,722</u>	<u>\$ 44,567</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 2,025	\$ 2,046
Accrued liabilities	2,138	2,180
Deferred revenues	689	673
Current portion of long-term debt	964	1,359
Total current liabilities	5,816	6,258
Long-term debt, less current portion	23,056	22,541
Deferred income taxes	2,865	2,815
Landfill and environmental remediation liabilities	3,086	3,048
Other long-term liabilities	1,697	1,651
Total liabilities	<u>36,520</u>	<u>36,313</u>
Commitments and contingencies (Note 6)		
Equity:		
Waste Management, Inc. stockholders' equity:		
Common stock, \$0.01 par value; 1,500,000,000 shares authorized; 630,282,461 shares issued	6	6
Additional paid-in capital	5,566	5,496
Retained earnings	16,553	15,858
Accumulated other comprehensive income (loss)	9	(115)
Treasury stock at cost, 227,680,075 and 228,788,284 shares, respectively	(12,933)	(12,993)
Total Waste Management, Inc. stockholders' equity	9,201	8,252
Noncontrolling interests	1	2
Total equity	9,202	8,254
Total liabilities and equity	<u>\$ 45,722</u>	<u>\$ 44,567</u>

See Notes to Condensed Consolidated Financial Statements.

**WASTE MANAGEMENT, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In Millions, Except per Share Amounts)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating revenues	\$ 6,430	\$ 5,402	\$ 12,448	\$ 10,561
Costs and expenses:				
Operating	3,839	3,291	7,486	6,431
Selling, general and administrative	696	501	1,383	992
Depreciation, depletion and amortization	708	543	1,364	1,057
Restructuring	12	—	25	—
(Gain) loss from divestitures, asset impairments and unusual items, net	24	58	26	56
	<u>5,279</u>	<u>4,393</u>	<u>10,284</u>	<u>8,536</u>
Income from operations	<u>1,151</u>	<u>1,009</u>	<u>2,164</u>	<u>2,025</u>
Other income (expense):				
Interest expense, net	(232)	(136)	(464)	(266)
Equity in net income (loss) of unconsolidated entities	2	22	7	3
Other, net	7	(1)	9	1
	<u>(223)</u>	<u>(115)</u>	<u>(448)</u>	<u>(262)</u>
Income before income taxes	928	894	1,716	1,763
Income tax expense	201	214	352	376
Consolidated net income	<u>727</u>	<u>680</u>	<u>1,364</u>	<u>1,387</u>
Less: Net income (loss) attributable to noncontrolling interests	1	—	1	(1)
Net income attributable to Waste Management, Inc.	<u>\$ 726</u>	<u>\$ 680</u>	<u>\$ 1,363</u>	<u>\$ 1,388</u>
Basic earnings per common share	<u>\$ 1.80</u>	<u>\$ 1.70</u>	<u>\$ 3.39</u>	<u>\$ 3.46</u>
Diluted earnings per common share	<u>\$ 1.80</u>	<u>\$ 1.69</u>	<u>\$ 3.37</u>	<u>\$ 3.44</u>

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In Millions)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Consolidated net income	\$ 727	\$ 680	\$ 1,364	\$ 1,387
Other comprehensive income (loss), net of tax:				
Derivative instruments, net	(10)	(1)	(1)	(1)
Available-for-sale securities, net	6	(1)	8	—
Foreign currency translation adjustments	100	(10)	117	(34)
Post-retirement benefit obligations, net	—	(1)	—	(1)
Other comprehensive income (loss), net of tax	<u>96</u>	<u>(13)</u>	<u>124</u>	<u>(36)</u>
Comprehensive income	823	667	1,488	1,351
Less: Comprehensive income (loss) attributable to noncontrolling interests	1	—	1	(1)
Comprehensive income attributable to Waste Management, Inc.	<u>\$ 822</u>	<u>\$ 667</u>	<u>\$ 1,487</u>	<u>\$ 1,352</u>

See Notes to Condensed Consolidated Financial Statements.

**WASTE MANAGEMENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Millions)  
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Consolidated net income	\$ 1,364	\$ 1,387
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,364	1,057
Deferred income tax expense (benefit)	79	14
Interest accretion on landfill and environmental remediation liabilities	71	66
Provision for bad debts	43	26
Equity-based compensation expense	92	57
Net gain on disposal of assets	(12)	(50)
(Gain) loss from divestitures, asset impairments and other, net	26	56
Equity in net (income) loss of unconsolidated entities, net of dividends	(7)	(3)
Change in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Receivables	(323)	(127)
Other current assets	(52)	(30)
Other assets	141	63
Accounts payable and accrued liabilities	42	85
Deferred revenues and other liabilities	(75)	(80)
Net cash provided by operating activities	<u>2,753</u>	<u>2,521</u>
Cash flows from investing activities:		
Acquisitions of businesses, net of cash acquired	(366)	(243)
Capital expenditures	(1,563)	(1,335)
Proceeds from divestitures of businesses and other assets, net of cash divested	103	58
Other, net	(89)	(839)
Net cash used in investing activities	<u>(1,915)</u>	<u>(2,359)</u>
Cash flows from financing activities:		
New borrowings	9,135	9,180
Debt repayments	(9,234)	(8,752)
Common stock repurchase program	—	(262)
Cash dividends	(669)	(608)
Exercise of common stock options	50	36
Tax payments associated with equity-based compensation transactions	(49)	(48)
Other, net	(14)	(10)
Net cash used in financing activities	<u>(781)</u>	<u>(464)</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	8	(4)
Increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	65	(306)
Cash, cash equivalents and restricted cash and cash equivalents at beginning of period	487	552
Cash, cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 552</u>	<u>\$ 246</u>
Reconciliation of cash, cash equivalents and restricted cash and cash equivalents at end of period:		
Cash and cash equivalents	\$ 440	\$ 172
Restricted cash and cash equivalents included in other current assets	45	4
Restricted cash and cash equivalents included in restricted funds	67	70
Cash, cash equivalents and restricted cash and cash equivalents at end of period	<u>\$ 552</u>	<u>\$ 246</u>

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Millions, Except Shares in Thousands)  
(Unaudited)

	Waste Management, Inc. Stockholders' Equity								
	Total	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Noncontrolling Interests
		Shares	Amounts				Shares	Amounts	
<b>Three Months Ended June 30:</b>									
<b>2025</b>									
Balance, March 31, 2025	\$ 8,651	630,282	\$ 6	\$ 5,515	\$ 16,160	\$ (87)	(227,911)	\$ (12,944)	\$ 1
Consolidated net income	727	—	—	—	726	—	—	—	1
Other comprehensive income (loss), net of tax	96	—	—	—	—	96	—	—	—
Cash dividends declared of \$0.825 per common share	(333)	—	—	—	(333)	—	—	—	—
Equity-based compensation transactions, net	62	—	—	51	—	—	231	11	—
Other, net	(1)	—	—	—	—	—	—	—	(1)
Balance, June 30, 2025	<u>\$ 9,202</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 5,566</u>	<u>\$ 16,553</u>	<u>\$ 9</u>	<u>(227,680)</u>	<u>\$ (12,933)</u>	<u>\$ 1</u>
<b>2024</b>									
Balance, March 31, 2024	\$ 7,078	630,282	\$ 6	\$ 5,352	\$ 14,738	\$ (60)	(228,980)	\$ (12,954)	\$ (4)
Consolidated net income	680	—	—	—	680	—	—	—	—
Other comprehensive income (loss), net of tax	(13)	—	—	—	—	(13)	—	—	—
Cash dividends declared of \$0.75 per common share	(301)	—	—	—	(301)	—	—	—	—
Equity-based compensation transactions, net	31	—	—	29	(1)	—	62	3	—
Common stock repurchase program	(12)	—	—	50	—	—	(266)	(62)	—
Adoption of new accounting standard	(12)	—	—	—	(12)	—	—	—	—
Other, net	—	—	—	2	—	—	1	—	(2)
Balance, June 30, 2024	<u>\$ 7,451</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 5,433</u>	<u>\$ 15,104</u>	<u>\$ (73)</u>	<u>(229,183)</u>	<u>\$ (13,013)</u>	<u>\$ (6)</u>

See Notes to Condensed Consolidated Financial Statements.

WASTE MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY — (Continued)  
(In Millions, Except Shares in Thousands)  
(Unaudited)

	Waste Management, Inc. Stockholders' Equity								
	Total	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock		Noncontrolling Interests
		Shares	Amounts				Shares	Amounts	
<b>Six Months Ended June 30:</b>									
<b>2025</b>									
Balance, December 31, 2024	\$ 8,254	630,282	\$ 6	\$ 5,496	\$ 15,858	\$ (115)	(228,788)	\$ (12,993)	\$ 2
Consolidated net income	1,364	—	—	—	1,363	—	—	—	1
Other comprehensive income (loss), net of tax	124	—	—	—	—	124	—	—	—
Cash dividends declared of \$1.65 per common share	(669)	—	—	—	(669)	—	—	—	—
Equity-based compensation transactions, net	131	—	—	70	1	—	1,107	60	—
Other, net	(2)	—	—	—	—	—	1	—	(2)
Balance, June 30, 2025	<u>\$ 9,202</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 5,566</u>	<u>\$ 16,553</u>	<u>\$ 9</u>	<u>(227,680)</u>	<u>\$ (12,933)</u>	<u>\$ 1</u>
<b>2024</b>									
Balance, December 31, 2023	\$ 6,896	630,282	\$ 6	\$ 5,351	\$ 14,334	\$ (37)	(228,827)	\$ (12,751)	\$ (7)
Consolidated net income	1,387	—	—	—	1,388	—	—	—	(1)
Other comprehensive income (loss), net of tax	(36)	—	—	—	—	(36)	—	—	—
Cash dividends declared of \$1.50 per common share	(608)	—	—	—	(608)	—	—	—	—
Equity-based compensation transactions, net	82	—	—	17	2	—	1,137	63	—
Common stock repurchase program	(265)	—	—	60	—	—	(1,494)	(325)	—
Adoption of new accounting standard	(12)	—	—	—	(12)	—	—	—	—
Other, net	7	—	—	5	—	—	1	—	2
Balance, June 30, 2024	<u>\$ 7,451</u>	<u>630,282</u>	<u>\$ 6</u>	<u>\$ 5,433</u>	<u>\$ 15,104</u>	<u>\$ (73)</u>	<u>(229,183)</u>	<u>\$ (13,013)</u>	<u>\$ (6)</u>

See Notes to Condensed Consolidated Financial Statements.

## 1. Basis of Presentation

The financial statements presented in this report represent the consolidation of Waste Management, Inc., a Delaware corporation; its wholly-owned and majority-owned subsidiaries; and certain variable interest entities for which Waste Management, Inc. or its subsidiaries are the primary beneficiaries as described in Note 13. Waste Management, Inc. is a holding company and all operations are conducted by its subsidiaries. When the terms “the Company,” “we,” “us” or “our” are used in this document, those terms refer to Waste Management, Inc., together with its consolidated subsidiaries and consolidated variable interest entities. When we use the term “WMI,” we are referring only to Waste Management, Inc., the parent holding company.

We are North America’s leading provider of comprehensive environmental solutions, providing services throughout the United States (“U.S.”) and Canada. We partner with our customers and the communities we serve to manage and reduce waste at each stage from collection to disposal, while recovering valuable resources and creating clean, renewable energy. Our solid waste business is operated and managed locally by our subsidiaries that focus on distinct geographic areas and provide collection, transfer, disposal, recycling and resource recovery services. Through our subsidiaries, including our Waste Management Renewable Energy (“WM Renewable Energy”) segment, we are also a leading developer, operator and owner of landfill gas-to-energy facilities in the U.S. and Canada that produce renewable electricity and renewable natural gas (“RNG”), which is a significant source of fuel that we allocate to our natural gas fleet.

On November 4, 2024, we completed the acquisition of all outstanding shares of Stericycle, Inc. (“Stericycle”), the operations of which are presented in this report as our new WM Healthcare Solutions segment. The acquisition expands our offerings in the U.S. and Canada and adds operations in parts of Western Europe. These businesses provide regulated waste and compliance services and secure information destruction services that protect people and brands, promote health and well-being and safeguard the environment. Refer to Note 8 for further discussion.

Our senior management evaluates, oversees and manages the financial performance of our business through five reportable segments, referred to as (i) Collection and Disposal - East Tier (“East Tier”); (ii) Collection and Disposal - West Tier (“West Tier”); (iii) Recycling Processing and Sales; (iv) WM Renewable Energy and (v) WM Healthcare Solutions. Our East and West Tiers along with certain ancillary services (“Other Ancillary”) that are not managed through our Tier segments, but that support our collection and disposal operations, form our “Collection and Disposal” businesses. We also provide additional services not managed through our five reportable segments, which are presented as Corporate and Other. Refer to Note 7 for further discussion.

The Condensed Consolidated Financial Statements as of June 30, 2025 and for the three and six months ended June 30, 2025 and 2024 are unaudited. In the opinion of management, these financial statements include all adjustments, which, unless otherwise disclosed, are of a normal recurring nature, necessary for a fair presentation of the financial position, results of operations, comprehensive income, cash flows, and changes in equity for the periods presented. The results for interim periods are not necessarily indicative of results for the entire year. The financial statements presented herein should be read in conjunction with the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2024.

In preparing our financial statements, we make numerous estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. We must make these estimates and assumptions because certain information that we use is dependent on future events, cannot be calculated with precision from available data or simply cannot be calculated. In some cases, these estimates are difficult to determine, and we must exercise significant judgment. In preparing our financial statements, the most difficult, subjective and complex estimates and the assumptions that present the greatest amount of uncertainty relate to our accounting for landfills, environmental remediation liabilities, long-lived asset impairments, intangible asset impairments and the fair value of assets and liabilities acquired in business combinations. Actual results could differ materially from the estimates and assumptions that we use in the preparation of our financial statements.

### ***Revenue Recognition***

We generally recognize revenue as services are performed or products are delivered. For example, revenue typically is recognized as waste is collected; tons are received at our landfills, transfer stations or processing facilities; or recycling and other commodities, such as RNG, electricity and capacity, Renewable Identification Numbers (“RINs”) and Renewable Energy Credits (“RECs”), are sold. Compliance services revenues are recognized over the contractual service period.

We also bill for certain services prior to performance. Such services include, among others, certain commercial and residential contracts and equipment rentals. These advanced billings are included in deferred revenues and recognized as revenue in the period service is provided. Substantially all our deferred revenues during the reported periods are realized as revenues within one to three months, when the related services are performed.

### ***Contract Acquisition Costs***

Our incremental direct costs of obtaining a contract, which consist primarily of sales incentives, are generally deferred and amortized to selling, general and administrative expense over the estimated life of the relevant customer relationship, ranging from five to 16 years. Contract acquisition costs that are paid to the customer are deferred and amortized as a reduction in revenue over the contract life. Our contract acquisition costs are classified as current or noncurrent based on the timing of when we expect to recognize amortization and are included in other assets in our Condensed Consolidated Balance Sheets. As of June 30, 2025 and December 31, 2024, we had \$224 million and \$218 million, respectively, of deferred contract costs, of which \$165 million and \$154 million, respectively, were related to deferred sales incentives.

### ***Leases***

Amounts for our operating lease right-of-use assets are recorded in other long-term assets and the current and long-term portion of our operating lease liabilities are reflected in accrued liabilities and other long-term liabilities, respectively, in our Condensed Consolidated Balance Sheets. Amounts for our financing leases are recorded in property and equipment, net of accumulated depreciation and depletion, and current or long-term debt in our Condensed Consolidated Balance Sheets, as appropriate.

### ***Concentrations of Credit Risk***

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents, investments held within restricted funds, and accounts receivable. We make efforts to control our exposure to credit risk associated with these instruments by (i) placing our assets and other financial interests with a diverse group of credit-worthy financial institutions; (ii) holding high-quality financial instruments while limiting investments in any one instrument and (iii) maintaining strict policies over credit extension that include credit evaluations, credit limits and monitoring procedures, although generally we do not have collateral requirements for credit extensions. We also control our exposure associated with trade receivables by discontinuing service, to the extent allowable, to non-paying customers. However, our overall credit risk associated with trade receivables is limited due to the large number and diversity of customers we serve.

### ***Reclassifications***

When necessary, reclassifications have been made to our prior period financial information to conform to the current year presentation and are not material to our Condensed Consolidated Financial Statements.

## 2. Landfill and Environmental Remediation Liabilities

Liabilities for landfill and environmental remediation costs are presented in the table below (in millions):

	June 30, 2025			December 31, 2024		
	Landfill	Environmental Remediation	Total	Landfill	Environmental Remediation	Total
Current (in accrued liabilities)	\$ 180	\$ 55	\$ 235	\$ 177	\$ 54	\$ 231
Long-term	2,924	162	3,086	2,880	168	3,048
	<u>\$ 3,104</u>	<u>\$ 217</u>	<u>\$ 3,321</u>	<u>\$ 3,057</u>	<u>\$ 222</u>	<u>\$ 3,279</u>

The changes to landfill and environmental remediation liabilities for the six months ended June 30, 2025 are reflected in the table below (in millions):

	Landfill	Environmental Remediation
December 31, 2024	\$ 3,057	\$ 222
Obligations incurred and capitalized	42	—
Obligations settled	(73)	(10)
Interest accretion	71	—
Revisions in estimates	—	5
Acquisitions, divestitures and other adjustments	7	—
June 30, 2025	<u>\$ 3,104</u>	<u>\$ 217</u>

At several of our landfills, we provide financial assurance by depositing cash into restricted trust funds for purposes of settling final capping, closure, post-closure and environmental remediation obligations. Generally, these trust funds are established to comply with statutory requirements and operating agreements. See Note 13 for additional information related to these trusts.

## 3. Debt

The following table summarizes the major components of debt at principal amounts as of each balance sheet date (in millions) and provides the maturities and interest rate ranges of each major category as of June 30, 2025:

	June 30, 2025	December 31, 2024
Commercial paper program (weighted average interest rate of 4.6% as of June 30, 2025 and 4.7% as of December 31, 2024)	\$ 1,545	\$ 1,250
Senior notes, maturing through 2054, interest rates ranging from 0.75% to 7.75% (weighted average interest rate of 4.2% as of June 30, 2025 and December 31, 2024)	17,998	18,419
Canadian senior notes, C\$500 million maturing September 2026, interest rate of 2.6%	367	348
Tax-exempt bonds, maturing through 2055, fixed and variable interest rates ranging from 0.70% to 4.60% (weighted average interest rate of 3.7% as of June 30, 2025 and December 31, 2024)	3,003	2,873
Financing leases and other, maturing through 2082 (weighted average interest rate of 4.9% as of June 30, 2025 and December 31, 2024) (a)	1,277	1,189
Debt issuance costs, discounts and other	(170)	(179)
	<u>24,020</u>	<u>23,900</u>
Current portion of long-term debt	964	1,359
Long-term debt, less current portion	<u>\$ 23,056</u>	<u>\$ 22,541</u>

(a) Excluding our landfill financing leases, the maturities of our financing leases and other debt obligations extend through 2059.

## ***Debt Classification***

As of June 30, 2025, we had approximately \$4.0 billion of debt maturing within the next 12 months, including (i) \$1.5 billion of short-term borrowings under our commercial paper program (net of related discount on issuance); (ii) \$1.5 billion of tax-exempt bonds with term interest rate periods that expire within the next 12 months, which is prior to their scheduled maturities; (iii) \$500 million of 0.75% senior notes that mature in November 2025 and (iv) \$464 million of other debt with scheduled maturities within the next 12 months, including \$298 million of tax-exempt bonds. As of June 30, 2025, we have classified \$3.0 billion of debt maturing in the next 12 months as long-term because we have the intent and ability to refinance these borrowings on a long-term basis as supported by the forecasted available capacity under our \$3.5 billion long-term U.S. and Canadian revolving credit facility (“\$3.5 billion revolving credit facility”), as discussed below. The remaining \$964 million of debt maturing in the next 12 months is classified as current obligations.

## ***Access to and Utilization of Credit Facilities and Commercial Paper Program***

***\$3.5 Billion Revolving Credit Facility*** — Our \$3.5 billion revolving credit facility, maturing May 2029, provides us with credit capacity to be used for cash borrowings, to support letters of credit and to support our commercial paper program. The interest rates we pay on outstanding U.S. or Canadian loans are based on the Secured Overnight Financing Rate (“SOFR”) administered by the Federal Reserve Bank of New York or the Canadian Overnight Repo Rate Average (“CORRA”) administered by the Bank of Canada, respectively, plus a spread depending on our senior public debt rating assigned by Moody’s Investors Service, Inc. and Standard and Poor’s Global Ratings. The spread above SOFR or CORRA can range from 0.585% to 1.025% per annum, plus applicable credit adjustments. We also pay certain other fees set forth in the \$3.5 billion revolving credit facility agreement, including a facility fee based on the aggregate commitment, regardless of usage. As of June 30, 2025, we had no outstanding borrowings under this facility. We had \$1.5 billion of outstanding borrowings (net of related discount on issuance) under our commercial paper program and \$224 million of letters of credit issued, both supported by the facility, leaving unused and available credit capacity of \$1.8 billion as of June 30, 2025. WM Holdings, a wholly-owned subsidiary of WMI, guarantees all of the obligations under the \$3.5 billion revolving credit facility.

***Commercial Paper Program*** — We have a commercial paper program that enables us to borrow funds for up to 397 days at competitive interest rates. The rates we pay for outstanding borrowings are based on the term of the notes. The commercial paper program is fully supported by our \$3.5 billion revolving credit facility. As of June 30, 2025, we had \$1.5 billion of outstanding borrowings (net of related discount on issuance) under our commercial paper program.

***Other Letter of Credit Lines*** — As of June 30, 2025, we had utilized \$870 million of other uncommitted letter of credit lines with terms maturing through December 2028.

## ***Debt Borrowings and Repayments***

***Commercial Paper Program*** — During the six months ended June 30, 2025, we had cash borrowings of \$9.0 billion (net of related discount on issuance) which were used for general corporate purposes and cash repayments of \$8.7 billion.

***Senior Notes*** — During the six months ended June 30, 2025, we repaid \$422 million of 3.125% senior notes upon maturity in March 2025.

***Senior Notes Exchange Offer*** — On November 8, 2024, we issued approximately \$485 million in aggregate principal amount of unregistered 3.875% Senior Notes due 2029 (the “Restricted Notes”) in a private offer (the “SRCL Exchange Offer”) pursuant to which such notes were exchanged for notes of Stericycle. We entered into a registration rights agreement (the “Registration Rights Agreement”) with the dealer managers of the SRCL Exchange Offer pursuant to which we were obligated to use commercially reasonable efforts to file with the SEC and cause to become effective a registration statement with respect to an offer to exchange the Restricted Notes for registered notes with terms that are substantially identical in all material respects to the Restricted Notes.

On June 25, 2025, we completed an offer to exchange the outstanding Restricted Notes for new notes registered pursuant to the Securities Act of 1933, as amended (the “Registered Notes”). The terms of the Registered Notes are substantially identical in all material respects to the terms of the Restricted Notes, except that the Registered Notes will not be subject to restrictions on transfer. Approximately \$483 million in aggregate principal amount of the Restricted Notes, or 99%, were tendered and accepted, and a like amount of new Registered Notes were issued. The debt exchange is accounted for as a modification of debt, as the financial terms of the Registered Notes do not differ from the Restricted Notes, and there is no substantial difference between the present value of cash flows under each respective set of notes.

*Tax-Exempt Bonds* — We issued \$130 million of tax-exempt bonds in the three months ended June 30, 2025. The proceeds from the issuance of these bonds were deposited directly into a restricted trust fund to be used for the specific purpose for which the money was raised, which is generally to finance expenditures for solid waste disposal and recycling facility construction and development.

#### **4. Income Taxes**

Our effective income tax rate was 21.7% and 23.9% for the three months ended June 30, 2025 and 2024, respectively. The decrease in our effective income tax rate was primarily driven by the timing of amortization resulting from our investment in low-income housing investments and an increase in federal tax credits.

Our effective income tax rate was 20.5% and 21.3% for the six months ended June 30, 2025 and 2024, respectively. The decrease in our effective income tax rate was primarily driven by federal tax credits.

We evaluate our effective income tax rate at each interim period and adjust it as facts and circumstances warrant.

##### ***Investments Qualifying for Federal Tax Credits***

*Renewable Natural Gas* — Through our subsidiaries, including our WM Renewable Energy segment, we have invested in building landfill gas-to-energy facilities in the U.S. and Canada that produce renewable electricity and RNG. We expect our new RNG facilities to qualify for federal tax credits and to realize those credits through 2026 under Section 48 of the Internal Revenue Code.

During the three and six months ended June 30, 2025, we recognized a reduction in our income tax expense of \$43 million and \$89 million, respectively, due to federal tax credits expected to be realized from our RNG investments compared with \$37 million and \$74 million, respectively, for the comparable prior year periods.

*Low-Income Housing* — We have significant financial interests in entities established to invest in and manage low-income housing properties. We support the operations of these entities in exchange for a pro-rata share of the tax credits they generate. The low-income housing investments qualify for federal tax credits that we expect to realize through 2036 under Section 42 or Section 45D of the Internal Revenue Code.

Under the proportional amortization method, the equity investment is amortized in proportion to the income tax credits and other income tax benefits received. The amortization expense and the income tax credits are required to be presented on a net basis in income tax expense on the Condensed Consolidated Statements of Operations.

During the three and six months ended June 30, 2025, we recognized income tax expense of \$25 million and \$45 million, respectively, related to amortization under ASU 2023-02 and a reduction in our income tax expense of \$35 million and \$62 million, respectively, primarily due to federal tax credits realized from these investments. In addition, during the three and six months ended June 30, 2025, we recognized interest expense of \$8 million and \$17 million, respectively, associated with our investments in low-income housing properties.

During the three and six months ended June 30, 2024, we recognized income tax expense of \$37 million related to amortization under ASU 2023-02 and a reduction in our income tax expense of \$22 million and \$50 million, respectively, primarily due to federal tax credits realized from these investments. In addition, during the three and six months ended

June 30, 2024, we recognized interest expense of \$5 million and \$11 million, respectively, associated with our investments in low-income housing properties. See Note 13 for additional information related to these unconsolidated variable interest entities.

## 5. Earnings Per Share

Basic and diluted earnings per share for the three and six months ended June 30 were computed using the following common share data (shares in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Number of common shares outstanding at end of period	402.6	401.1	402.6	401.1
Effect of using weighted average common shares outstanding	—	0.2	(0.1)	0.4
Weighted average basic common shares outstanding	402.6	401.3	402.5	401.5
Dilutive effect of equity-based compensation awards and other contingently issuable shares	1.7	1.9	1.5	1.8
Weighted average diluted common shares outstanding	404.3	403.2	404.0	403.3
Potentially issuable shares	4.3	4.9	4.3	4.9
Number of anti-dilutive potentially issuable shares excluded from diluted common shares outstanding	0.9	1.2	1.2	1.3

Refer to the Condensed Consolidated Statements of Operations for net income attributable to Waste Management, Inc.

## 6. Commitments and Contingencies

*Financial Instruments* — We have obtained letters of credit, surety bonds and insurance policies and have established trust funds and issued financial guarantees to support tax-exempt bonds, contracts, performance of landfill final capping, closure and post-closure requirements, environmental remediation and other obligations. Letters of credit generally are supported by our \$3.5 billion revolving credit facility and other credit lines established for that purpose. These facilities are discussed further in Note 3. Surety bonds and insurance policies are supported by (i) a diverse group of third-party surety and insurance companies; (ii) an entity in which we have a noncontrolling financial interest or (iii) a wholly-owned insurance captive, the sole business of which is to issue surety bonds and/or insurance policies on our behalf.

Management does not expect that any claims against or draws on these instruments would have a material adverse effect on our financial condition, results of operations or cash flows. We have not experienced any unmanageable difficulty in obtaining the required financial assurance instruments for our current operations. In an ongoing effort to mitigate risks of future cost increases and reductions in available capacity, we continue to evaluate various options to access cost-effective sources of financial assurance.

*Insurance* — We carry insurance coverage for protection of our assets and operations from certain risks including general liability, automobile liability, workers' compensation, real and personal property, directors' and officers' liability, pollution legal liability, cyber incident liability and other coverages we believe are customary to the industry. Our exposure to loss for insurance claims is generally limited to the per-incident deductible under the related insurance policy and any amounts that exceed our insured limits. Our exposure could increase if our insurers are unable to meet their commitments on a timely basis.

We have retained a significant portion of the risks related to our health and welfare, general liability, automobile liability and workers' compensation claims programs. "General liability" refers to the self-insured portion of specific third-party claims made against us that may be covered under our commercial general liability insurance policy. For our self-insured portions, the exposure for unpaid claims and associated expenses, including incurred but not reported losses, is based on an actuarial valuation or internal estimates. The accruals for these liabilities could be revised if future

occurrences or loss development significantly differ from such valuations and estimates. We use a wholly-owned insurance captive to insure the deductibles for our general liability, automobile liability and workers' compensation claims programs.

We do not expect the impact of any known casualty, property, environmental or other contingency to have a material impact on our financial condition, results of operations or cash flows.

*Guarantees* — In the ordinary course of our business, WMI and WM Holdings enter into guarantee agreements associated with their subsidiaries' operations. Additionally, WMI and WM Holdings have each guaranteed all of the senior debt of the other entity. No additional liabilities have been recorded for these intercompany guarantees because all of the underlying obligations are reflected in our Condensed Consolidated Balance Sheets.

As of June 30, 2025, we have guaranteed the obligations and certain performance requirements of third parties in connection with both consolidated and unconsolidated entities, including guarantees to cover the difference, if any, between the sale value and the guaranteed market or contractually-determined value of certain homeowner's properties that are adjacent to or near 18 of our landfills. We have also agreed to indemnify certain third-party purchasers against liabilities associated with divested operations prior to such sale. We do not believe that the remaining contingent obligations will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

*Environmental Matters* — A significant portion of our operating costs and capital expenditures could be characterized as costs of environmental protection. The nature of our operations, particularly with respect to the construction, operation and maintenance of our landfills, subjects us to an array of laws and regulations relating to the protection of the environment. Under current laws and regulations, we may have liabilities for environmental damage caused by our operations, or for damage caused by conditions that existed before we acquired a site. In addition to remediation activity required by state or local authorities, such liabilities include potentially responsible party ("PRP") investigations. The costs associated with these liabilities can include settlements, certain legal and consultant fees, as well as incremental internal and external costs directly associated with site investigation and clean-up.

Estimating our degree of responsibility for remediation is inherently difficult. We recognize and accrue for an estimated remediation liability when we determine that such liability is both probable and reasonably estimable. Determining the method and ultimate cost of remediation requires that a number of assumptions be made. There can sometimes be a range of reasonable estimates of the costs associated with the likely site remediation alternatives identified in the environmental impact investigation. In these cases, we use the amount within the range that is our best estimate. If no amount within a range appears to be a better estimate than any other, we use the amount that is the low end of such range. If we used the high ends of such ranges (where estimable), our aggregate potential liability would be approximately \$9 million higher than the \$217 million recorded in the Condensed Consolidated Balance Sheet as of June 30, 2025. Our ultimate responsibility may differ materially from current estimates. It is possible that technological, regulatory or enforcement developments, the results of environmental studies, the inability to identify other PRPs, the inability of other PRPs to contribute to the settlements of such liabilities, or other factors could require us to record additional liabilities. Our ongoing review of our remediation liabilities, in light of relevant internal and external facts and circumstances, could result in revisions to our accruals that could cause upward or downward adjustments to our balance sheet and income from operations. These adjustments could be material in any given period.

As of June 30, 2025, we had been notified by the government that we are a PRP in connection with 74 locations listed on the Environmental Protection Agency's ("EPA's") Superfund National Priorities List, or NPL. Of the 74 sites at which claims have been made against us, 14 are sites we own. Each of the NPL sites we own was initially developed by others as a landfill disposal facility. At each of these facilities, we are working in conjunction with the government to characterize or remediate identified site problems, and we have either agreed with other legally liable parties on an arrangement for sharing the costs of remediation or are working toward a cost-sharing agreement. We generally expect to receive any amounts due from other participating parties at or near the time that we make the remedial expenditures. The other 60 NPL sites, which we do not own, are at various procedural stages under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, known as CERCLA or Superfund.

The majority of proceedings involving NPL sites that we do not own are based on allegations that certain of our subsidiaries (or their predecessors) transported hazardous substances to the sites, often prior to our acquisition of these subsidiaries. CERCLA generally provides for liability for those parties owning, operating, transporting to or disposing at the sites. Proceedings arising under Superfund typically involve numerous waste generators and other waste transportation and disposal companies and seek to allocate or recover costs associated with site investigation and remediation, which costs could be substantial and could have a material adverse effect on our consolidated financial statements. At some of the sites at which we have been identified as a PRP, our liability is well defined as a consequence of a governmental decision and an agreement among liable parties as to the share each will pay for implementing that remedy. At other sites, where no remedy has been selected or the liable parties have been unable to agree on an appropriate allocation, our future costs are uncertain.

In 2018, both of McGinnes Industrial Maintenance Corporation (“MIMC”), a subsidiary of Waste Management of Texas, Inc., and International Paper Company (“IPC”) entered into an Administrative Order on Consent with the EPA as PRPs to develop a remedial design for the San Jacinto River Waste Pits Superfund Site in Harris County, Texas. We recorded a liability for MIMC’s estimated potential share of the EPA’s proposed remedy and related costs, although allocation of responsibility among the PRPs for the proposed remedy has not been established. In November 2024, MIMC and IPC publicly issued a proposed revised full remedial design. The EPA’s comments were received in April 2025, and MIMC and IPC provided responses to those comments later that month. Due to increases in the estimated costs of the remedy to address the EPA’s comments, in the fourth quarter of 2024 we recorded an additional \$13 million liability for MIMC’s estimated potential share of such costs. The recorded liability as of June 30, 2025, and December 31, 2024, was approximately \$96 and \$97 million, respectively. MIMC’s ultimate liability could be materially different from current estimates, including potential increases resulting from MIMC’s continued engagement with the EPA regarding a final remedial design for the site.

Item 103 of the SEC’s Regulation S-K requires disclosure of certain environmental matters when a governmental authority is a party to the proceedings, or such proceedings are known to be contemplated, unless we reasonably believe that the matter will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, below a stated threshold. In accordance with this SEC regulation, the Company uses a threshold of \$1 million for purposes of determining whether disclosure of any such environmental proceedings is required. We are not aware of any matters in the second quarter of 2025 that are required to be disclosed pursuant to this standard.

From time to time, we are also named as defendants in personal injury and property damage lawsuits, including purported class actions, on the basis of having owned, operated or transported waste to a disposal facility that is alleged to have contaminated the environment or, in certain cases, on the basis of having conducted environmental remediation activities at sites. Some of the lawsuits may seek to have us pay the costs of monitoring of allegedly affected sites and health care examinations of allegedly affected persons for a substantial period of time even where no actual damage is proven. While we believe we have meritorious defenses to these lawsuits, the ultimate resolution is often substantially uncertain due to the difficulty of determining the cause, extent and impact of alleged contamination (which may have occurred over a long period of time), the potential for successive groups of complainants to emerge, the diversity of the individual plaintiffs’ circumstances, and the potential contribution or indemnification obligations of co-defendants or other third parties, among other factors. Additionally, we often enter into agreements with landowners imposing obligations on us to meet certain regulatory or contractual conditions upon site closure or upon termination of the agreements. Compliance with these agreements inherently involves subjective determinations and may result in disputes, including litigation.

*Litigation* — We are subject to various proceedings, lawsuits, disputes and claims arising in the ordinary course of our business. Many of these actions raise complex factual and legal issues and are subject to uncertainties. Actions that have been filed against us, and that may be filed against us in the future, include personal injury, property damage, commercial, customer, and employment-related claims, including purported state and national class action lawsuits related to: alleged environmental contamination, including releases of hazardous material and odors; sales and marketing practices, customer service agreements and prices and fees; and federal and state wage and hour and other laws. The plaintiffs in some actions seek unspecified damages or injunctive relief, or both. These actions are in various procedural stages, and some are covered, in part, by insurance. We currently do not believe that the eventual outcome of any such

actions will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

On November 4, 2024, the Company acquired Stericycle. At the time of the acquisition, Stericycle was subject to the following legal matters, which are now legal matters of our wholly-owned subsidiary.

Stericycle entered into a deferred prosecution agreement ("DPA") with the U.S. Department of Justice ("DOJ") and a cease-and-desist order with the SEC in 2022 relating to Stericycle's compliance with the U.S. Foreign Corrupt Practices Act and other anti-corruption laws with respect to now-divested operations in Latin America. The DPA and cease-and-desist order required Stericycle to engage an independent compliance monitor for two years, which Stericycle satisfied. Additionally, the DPA required Stericycle to self-report any potential violations of the anti-corruption laws through November 2025. In April 2025, the DOJ filed, and the court granted, a motion for early termination of the DPA, and the deferred charges against Stericycle have been dismissed with prejudice. This matter did not have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

On February 11, 2020, Stericycle received an administrative subpoena from the U.S. Drug Enforcement Administration ("DEA"), which executed a search warrant at a facility in Rancho Cordova, California and an administrative inspection warrant at a facility in Indianapolis, Indiana for materials related to Stericycle's now-divested Domestic Environmental Solutions business of collecting, transporting, and destroying controlled substances from retail customers (the "ESOL Retail Controlled Substances Business"). On that same day, agents from the California Department of Toxic Substances Control executed a separate search warrant at the Rancho Cordova facility. Since that time, the U.S. Attorney's Office for the Eastern District of California ("USAO EDCA") has been overseeing criminal and civil investigations of the ESOL Retail Controlled Substances Business. The USAO EDCA informed Stericycle that the investigations relate to Stericycle's operation and sale of its ESOL Retail Controlled Substances Business that was divested in 2020 and has asserted that Stericycle and some of Stericycle's current or former employees may have civil and criminal liability under the Controlled Substances Act and other federal statutes related to that business. Stericycle has been cooperating with the ongoing investigations, which are limited to the period of Stericycle's historical operation and ownership of the ESOL Retail Controlled Substances Business from 2015 through 2020. While the ultimate disposition of this matter remains uncertain, we do not currently believe that it will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

In June 2022, we and certain of our officers were named as defendants in a complaint alleging violation of the federal securities laws and seeking certification as a class action in the U.S. District Court for the Southern District of New York. A lead plaintiff was appointed and an amended complaint was filed in January 2023. The amended complaint sought damages on behalf of a putative class of secondary market purchasers of our senior notes with a special mandatory redemption feature issued in May 2019, asserting claims under the Securities Exchange Act of 1934, as amended, based on alleged misrepresentations and omissions concerning the anticipated time for completion of our acquisition of Advanced Disposal. In July 2025, the parties filed a motion for preliminary approval of a settlement that is now pending court approval. The proposed settlement will be covered by insurance, and we do not believe that the eventual outcome of this matter will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

WMI's charter and bylaws provide that WMI shall indemnify against all liabilities and expenses, and upon request shall advance expenses to any person, who is subject to a pending or threatened proceeding because such person is or was a director or officer of the Company. Such indemnification is required to the maximum extent permitted under Delaware law. Accordingly, the director or officer must execute an undertaking to reimburse the Company for any fees advanced if it is later determined that the director or officer was not permitted to have such fees advanced under Delaware law. Additionally, the Company has direct contractual obligations to provide indemnification to each of the members of WMI's Board of Directors and each of WMI's executive officers. The Company may incur substantial expenses in connection with the fulfillment of its advancement of costs and indemnification obligations in connection with actions or proceedings that may be brought against its former or current officers, directors and employees.

*Multiemployer Defined Benefit Pension Plans* — About 20% of our workforce is covered by collective bargaining agreements with various local unions across the U.S. and Canada, and certain parts of Europe. As a result of some of these agreements, certain of our subsidiaries are participating employers in a number of trustee-managed multiemployer defined benefit pension plans (“Multiemployer Pension Plans”) for the covered employees. In connection with our ongoing renegotiation of various collective bargaining agreements, we may discuss and negotiate for the complete or partial withdrawal from one or more of these Multiemployer Pension Plans. A complete or partial withdrawal from a Multiemployer Pension Plan may also occur if employees covered by a collective bargaining agreement vote to decertify a union from continuing to represent them. Any other circumstance resulting in a decline in Company contributions to a Multiemployer Pension Plan through a reduction in the labor force, whether through attrition over time or through a business event (such as the discontinuation or nonrenewal of a customer contract, the decertification of a union, or relocation, reduction or discontinuance of certain operations) may also trigger a complete or partial withdrawal from one or more of these pension plans.

We do not believe that any future liability relating to our past or current participation in, or withdrawals from, the Multiemployer Pension Plans to which we contribute will have a material adverse effect on our business, financial condition or liquidity. However, liability for future withdrawals could have a material adverse effect on our results of operations or cash flows for a particular reporting period, depending on the number of employees withdrawn and the financial condition of the Multiemployer Pension Plan(s) at the time of such withdrawal(s).

*Tax Matters* — We maintain a liability for uncertain tax positions, the balance of which management believes is adequate. Results of audit assessments by taxing authorities are not currently expected to have a material adverse effect on our financial condition, results of operations or cash flows. We participate in the IRS’s Compliance Assurance Process, which means we work with the IRS throughout the year towards resolving any material issues prior to the filing of our annual tax return. Any unresolved issues as of the tax return filing date are subject to routine examination procedures. In the fourth quarter of 2022, the Company received a notice of tax due for the 2017 tax year related to a remaining disagreement with the IRS. In response to the notice, the Company made a deposit of approximately \$103 million with the IRS. In the fourth quarter of 2024, the Company filed a claim for refund of the entire amount deposited with the IRS. We expect to litigate any denial of the claim for refund. As of June 30, 2025 and December 31, 2024, the IRS deposit, net of reserve for uncertain tax positions, was classified as a component of other long-term assets in the Company’s Condensed Consolidated Balance Sheets.

## **7. Segment and Related Information**

Our senior management evaluates, oversees and manages the financial performance of our business through five reportable segments, referred to as (i) East Tier; (ii) West Tier; (iii) Recycling Processing and Sales; (iv) WM Renewable Energy and (v) WM Healthcare Solutions. Our East and West Tiers along with Other Ancillary services that are not managed through our Tier segments, but that support our collection and disposal operations, form our “Collection and Disposal” businesses. We also provide additional services not managed through our five reportable segments, which are presented as Corporate and Other.

Summarized financial information concerning our reportable segments for the three and six months ended June 30 is shown in the following table (in millions):

	Net Operating Revenues	Intercompany Operating Revenues(a)	Gross Operating Revenues	Operating Expenses	Selling, General and Administrative	Other Net Expenses(f)	Depreciation, Depletion and Amortization	Income from Operations(b)	Capital Expenditures (c)
<b>Three Months Ended June 30:</b>									
<b>2025</b>									
Collection and Disposal:									
East Tier	\$ 2,292	\$ 630	\$ 2,922	\$ 1,833	\$ 88	\$ 8	\$ 272	\$ 721	\$ 360
West Tier	2,251	554	2,805	1,721	86	2	239	757	335
Other Ancillary	738	51	789	753	31	16	6	(17)	12
Collection and Disposal(d)(e)	5,281	1,235	6,516	4,307	205	26	517	1,461	707
Recycling Processing and Sales(d)	381	101	482	398	14	1	45	24	70
WM Renewable Energy(e)	115	—	115	59	3	—	15	38	115
WM Healthcare Solutions	646	1	647	406	150	9	105	(23)	46
Corporate and Other(e)	7	8	15	7	331	—	26	(349)	(123)
Total	\$ 6,430	\$ 1,345	\$ 7,775	\$ 5,177	\$ 703	\$ 36	\$ 708	\$ 1,151	\$ 815
Intercompany Elimination			(1,345)	(1,338)	(7)	—	—	—	—
Net			6,430	3,839	696	36	708	1,151	
<b>2024</b>									
Collection and Disposal:									
East Tier	\$ 2,178	\$ 566	\$ 2,744	\$ 1,708	\$ 89	\$ 2	\$ 253	\$ 692	\$ 245
West Tier	2,076	518	2,594	1,614	92	—	214	674	218
Other Ancillary	668	45	713	683	29	—	8	(7)	11
Collection and Disposal(d)(e)	4,922	1,129	6,051	4,005	210	2	475	1,359	474
Recycling Processing and Sales(d)	405	70	475	399	16	—	31	29	140
WM Renewable Energy(e)	69	1	70	40	3	—	9	18	123
Corporate and Other(e)	6	8	14	50	277	56	28	(397)	39
Total	\$ 5,402	\$ 1,208	\$ 6,610	\$ 4,494	\$ 506	\$ 58	\$ 543	\$ 1,009	\$ 776
Intercompany Elimination			(1,208)	(1,203)	(5)	—	—	—	—
Net			5,402	3,291	501	58	543	1,009	

	Net Operating Revenues	Intercompany Operating Revenues(a)	Gross Operating Revenues	Operating Expenses	Selling, General and Administrative	Other Net Expenses(f)	Depreciation, Depletion and Amortization	Income from Operations(b)	Capital Expenditures (c)
<b>Six Months Ended June 30:</b>									
<b>2025</b>									
Collection and Disposal:									
East Tier	\$ 4,432	\$ 1,188	\$ 5,620	\$ 3,523	\$ 176	\$ 8	\$ 523	\$ 1,390	\$ 557
West Tier	4,333	1,060	5,393	3,328	169	2	458	1,436	557
Other Ancillary	1,438	103	1,541	1,471	61	16	13	(20)	29
Collection and Disposal(d)(e)	10,203	2,351	12,554	8,322	406	26	994	2,806	1,143
Recycling Processing and Sales(d)	765	182	947	786	29	6	84	42	108
WM Renewable Energy(e)	206	1	207	114	6	—	30	57	237
WM Healthcare Solutions	1,265	9	1,274	789	305	18	206	(44)	80
Corporate and Other(e)	9	16	25	22	649	1	50	(697)	(112)
Total	\$ 12,448	\$ 2,559	\$ 15,007	\$ 10,033	\$ 1,395	\$ 51	\$ 1,364	\$ 2,164	\$ 1,456
Intercompany Elimination			(2,559)	(2,547)	(12)	—	—	—	—
Net			12,448	7,486	1,383	51	1,364	2,164	

	Net Operating Revenues	Intercompany Operating Revenues(a)	Gross Operating Revenues	Operating Expenses	Selling, General and Administrative	Other Net Expenses(f)	Depreciation, Depletion and Amortization	Income from Operations(b)	Capital Expenditures (c)
<b>2024</b>									
Collection and Disposal:									
East Tier	\$ 4,259	\$ 1,093	\$ 5,352	\$ 3,332	\$ 178	\$ 2	\$ 494	\$ 1,346	\$ 421
West Tier	4,069	1,005	5,074	3,172	183	—	418	1,301	419
Other Ancillary	1,310	89	1,399	1,339	58	(2)	13	(9)	23
Collection and Disposal(d)(e)	9,638	2,187	11,825	7,843	419	—	925	2,638	863
Recycling Processing and Sales(d)	773	138	911	773	30	—	60	48	227
WM Renewable Energy(e)	138	2	140	79	5	—	17	39	214
Corporate and Other(e)	12	13	25	66	548	56	55	(700)	25
Total	\$ 10,561	\$ 2,340	\$ 12,901	\$ 8,761	\$ 1,002	\$ 56	\$ 1,057	\$ 2,025	\$ 1,329
Intercompany Elimination			(2,340)	(2,330)	(10)	—	—	—	—
Net			10,561	6,431	992	56	1,057	2,025	

- (a) Intercompany operating revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.
- (b) For those items included in the determination of income from operations, the accounting policies of the segments are the same as those described in Note 1.
- (c) Includes non-cash items. Additionally, our Corporate and Other business recognizes construction work in progress for fleet purchases during the period. Capital expenditures are reported in our reportable segments at the time they are recorded within the segments' property and equipment balances and, therefore, include timing differences for amounts accrued but not yet paid as well as amounts transferred from Corporate and Other for fleet placed in service.
- (d) Certain fees related to the processing of recyclable material we collect are included within our Collection and Disposal businesses. The amounts in income from operations for the three and six months ended June 30, 2025 are \$20 million and \$40 million, respectively. The amounts in income from operations for three and six months ended June 30, 2024, are \$26 million and \$48 million, respectively.
- (e) WM Renewable Energy pays a 15% intercompany royalty to our Collection and Disposal and Corporate and Other businesses for landfill gas. The total amount of royalties in gross and intercompany operating revenues for the East Tier, West Tier, and Corporate and Other and in operating expenses for WM Renewable Energy for the three and six months ended June 30, 2025 are \$17 million and \$31 million, respectively. The total amount of royalties in gross and intercompany operating revenues for the East Tier, West Tier, and Corporate and Other and in operating expenses for WM Renewable Energy for the three and six months ended June 30, 2024 are \$11 million and \$21 million,

respectively. Prior to the fourth quarter of 2024, amounts related to intercompany royalty payments were adjusted through income from operations. Prior periods have been recast to conform to current year presentation.

- (f) Other net expenses include restructuring expenses, (gain) loss from divestitures, and asset impairments and unusual items, net.

Total assets by reportable segment are presented in the table below as follows (in millions):

	June 30, 2025	December 31, 2024
Collection and Disposal:		
East Tier	\$ 15,875	\$ 15,328
West Tier	11,933	11,786
Other Ancillary	819	779
Collection and Disposal	<u>28,627</u>	<u>27,893</u>
Recycling Processing and Sales	2,850	2,686
WM Renewable Energy	1,788	1,544
WM Healthcare Solutions	9,218	9,406
Corporate and Other	4,151	3,785
Elimination of intercompany investments and advances	(912)	(747)
Total assets, per Condensed Consolidated Balance Sheet	<u>\$ 45,722</u>	<u>\$ 44,567</u>

The mix of operating revenues from our major lines of business for the three and six months ended June 30 are as follows (in millions):

	Net Operating Revenues	Intercompany Operating Revenues (a)(b)	Gross Operating Revenues
<b>Three Months Ended June 30:</b>			
<b>2025</b>			
Commercial	\$ 1,398	\$ 220	\$ 1,618
Industrial	790	223	1,013
Residential	872	22	894
Other collection	796	68	864
Total collection	<u>3,856</u>	<u>533</u>	<u>4,389</u>
Landfill	1,036	410	1,446
Transfer	389	292	681
Total Collection and Disposal	<u>5,281</u>	<u>1,235</u>	<u>6,516</u>
Recycling Processing and Sales	381	101	482
WM Renewable Energy	115	—	115
WM Healthcare Solutions	646	1	647
Corporate and Other	7	8	15
Total	<u>\$ 6,430</u>	<u>\$ 1,345</u>	<u>\$ 7,775</u>
<b>2024</b>			
Commercial	\$ 1,330	\$ 196	\$ 1,526
Industrial	779	199	978
Residential	863	23	886
Other collection	729	52	781
Total collection	<u>3,701</u>	<u>470</u>	<u>4,171</u>
Landfill	873	389	1,262
Transfer	348	270	618
Total Collection and Disposal	<u>4,922</u>	<u>1,129</u>	<u>6,051</u>
Recycling Processing and Sales	405	70	475
WM Renewable Energy	69	1	70
Corporate and Other	6	8	14
Total	<u>\$ 5,402</u>	<u>\$ 1,208</u>	<u>\$ 6,610</u>

	Net Operating Revenues	Intercompany Operating Revenues (a)(b)	Gross Operating Revenues
<b>Six Months Ended June 30:</b>			
<b>2025</b>			
Commercial	\$ 2,778	\$ 434	\$ 3,212
Industrial	1,531	422	1,953
Residential	1,744	44	1,788
Other collection	1,549	140	1,689
Total collection	<u>7,602</u>	<u>1,040</u>	<u>8,642</u>
Landfill	1,876	763	2,639
Transfer	725	548	1,273
Total Collection and Disposal	10,203	2,351	12,554
Recycling Processing and Sales	765	182	947
WM Renewable Energy	206	1	207
WM Healthcare Solutions	1,265	9	1,274
Corporate and Other	9	16	25
Total	<u>\$ 12,448</u>	<u>\$ 2,559</u>	<u>\$ 15,007</u>
<b>2024</b>			
Commercial	\$ 2,646	\$ 381	\$ 3,027
Industrial	1,526	386	1,912
Residential	1,717	45	1,762
Other collection	1,427	105	1,532
Total collection	7,316	917	8,233
Landfill	1,665	749	2,414
Transfer	657	521	1,178
Total Collection and Disposal	9,638	2,187	11,825
Recycling Processing and Sales	773	138	911
WM Renewable Energy	138	2	140
Corporate and Other	12	13	25
Total	<u>\$ 10,561</u>	<u>\$ 2,340</u>	<u>\$ 12,901</u>

- (a) Intercompany operating revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.
- (b) Beginning with the 2024 Form 10-K, the Company adjusted gross and intercompany operating revenues to reflect the 15% royalty paid by WM Renewable Energy to our Collection and Disposal and Corporate and Other businesses for the purchase of landfill gas. There was no change to net operating revenues. Prior periods have been recast to conform to current presentation.

Our financial and operating results may fluctuate for many reasons, including period-to-period changes in the relative contribution of revenue by each line of business, changes in commodity prices and general economic conditions. Our operating revenues and volumes typically experience seasonal increases in the summer months that are reflected in second and third quarter revenues and results of operations.

Service or operational disruptions caused by severe storms, extended periods of inclement weather or climate events can significantly affect the operating results of the geographic areas affected. Extreme weather events may also lead to supply chain disruption and delayed project development, or disruption of our customers' businesses, reducing the amount of waste generated by their operations.

Conversely, certain destructive weather and climate conditions, such as wildfires in the Western U.S. and hurricanes that most often impact our operations in the Southern and Eastern U.S. during the second half of the year, can increase our

revenues in the geographic areas affected as a result of the waste volumes generated by these events. While weather-related and other event-driven special projects can boost revenues through additional work for a limited time, due to significant start-up costs and other factors, such revenue can generate earnings at comparatively lower margins.

## **8. Acquisitions and Divestitures**

### *Acquisitions*

#### *Stericycle Acquisition*

On June 3, 2024, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) to acquire all outstanding shares of Stericycle for \$62.00 per share in cash, representing a total enterprise value of approximately \$7.2 billion (net of cash acquired) when including the assumption of \$0.5 billion of debt and the repayment of approximately \$0.8 billion of net debt. The acquisition expands our offerings in the U.S., Canada and parts of Western Europe by providing regulated waste and compliance services and secure information destruction services that protect people and brands, promote health and well-being and safeguard the environment. The transaction closed on November 4, 2024 and was funded using borrowings under a term credit agreement, commercial paper program and available cash on hand. Shortly thereafter, we repaid all outstanding borrowings under the term credit agreement with net proceeds from our November 2024 issuance of \$5.2 billion of senior notes.

Our Condensed Consolidated Financial Statements have not been retroactively restated to include Stericycle’s historical financial position or results of operations. The acquisition is accounted for as a business combination. In accordance with the purchase method of accounting, the purchase price paid has been allocated to the assets and liabilities acquired based upon their estimated fair values as of the acquisition date, with the excess of the purchase price over the net assets acquired recorded as goodwill.

Our estimates and assumptions are subject to change during the measurement period, not to exceed one year from the acquisition date. The areas of acquisition accounting that are not yet finalized primarily relate to (i) finalizing the review and valuation of trade names, permits, customer relationships and certain property plant and equipment and other intangibles (including the models, key assumptions, estimates and inputs used) and assignment of remaining useful lives associated with the depreciable and amortizable assets and (ii) finalizing the review and valuation of accounts receivable, accrued expenses, contingent liabilities, deferred taxes and goodwill (including key assumptions, inputs and estimates).

Goodwill of \$3.8 billion was calculated as the excess of the consideration paid over the net assets recognized and represents the future economic benefits expected to arise from other assets acquired that could not be individually identified and separately recognized and from synergies of the combination. In the first quarter of 2025, we finalized the determination of our reporting units related to the Stericycle acquisition and allocated the goodwill balance to two reporting units within our WM Healthcare Solutions segment using a relative fair value allocation method. Substantially all of the goodwill is not deductible for income tax purposes.

The following table shows the preliminary purchase price allocation as of the date acquired and adjustments to June 30, 2025 (in millions):

	November 4, 2024	Adjustments	June 30, 2025
Cash and cash equivalents	\$ 198	\$ —	\$ 198
Accounts and other receivables	506	(34)	472
Parts and supplies	19	—	19
Other current assets	64	(2)	62
Assets held for sale (a)	125	(4)	121
Property and equipment	782	(20)	762
Goodwill	3,633	118	3,751
Other intangible assets	3,536	(71)	3,465
Other assets	619	(8)	611
Accounts payable	(186)	1	(185)
Accrued liabilities	(336)	(21)	(357)
Deferred revenues	(77)	—	(77)
Current portion of long-term debt	(5)	—	(5)
Liabilities held for sale (a)	(35)	—	(35)
Long-term debt, less current portion	(510)	—	(510)
Deferred income taxes	(884)	37	(847)
Other liabilities	(542)	—	(542)
Total purchase price	<u>\$ 6,907</u>	<u>\$ (4)</u>	<u>\$ 6,903</u>

(a) Represents Stericycle's Spain and Portugal subsidiaries. See "Divestitures" below for additional information.

The preliminary allocation of \$3,465 million for other intangible assets includes \$2,279 million for customer relationships with a weighted average amortization period of 15 years, \$610 million for indefinite lived trade names, \$319 million for indefinite lived permits, \$114 million for finite lived trade names with a weighted average amortization period of 2.9 years, \$138 million for ERP software with a weighted average amortization period of 4.7 years and \$5 million for developed technology with an amortization period of 17 years.

### ***2025 Acquisitions***

During the six months ended June 30, 2025, we completed solid waste and recycling acquisitions with total consideration of \$411 million, which included \$370 million in net cash paid and \$41 million of other consideration, specifically purchase price holdbacks. In addition, we paid \$8 million of holdbacks related to prior year acquisitions.

Total consideration for our 2025 acquisitions was primarily allocated to \$79 million of property and equipment, \$34 million of other intangible assets, primarily customer relationships, and \$313 million of goodwill. The goodwill was primarily a result of expected synergies from combining the acquired businesses with our existing operations and substantially all was tax deductible. We remain in the measurement period for most of our acquisitions, and adjustments to our preliminary purchase price allocation may occur.

### ***Divestitures***

On January 2, 2025, we completed the sale of our WM Healthcare Solutions' Spain and Portugal subsidiaries. As the fair value of consideration transferred was equal to the carrying value of the divested subsidiaries, no gain or loss was recognized.

## 9. (Gain) Loss from Divestitures, Asset Impairments and Unusual Items, Net

(Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2025, primarily relates to a \$16 million goodwill impairment charge to a business engaged in oil recovery and sludge processing services. This charge is reflected in Other Ancillary within our Collection and Disposal businesses.

(Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2024 primarily relates to a \$54 million charge required to increase the estimated fair value of a liability associated with the expected disposition of an investment the Company holds in a waste diversion technology business. This charge is reflected in our Corporate and Other measures within our segment reporting.

## 10. Accumulated Other Comprehensive Income (Loss)

The changes in the balances of each component of accumulated other comprehensive income (loss), net of tax, which is included as a component of Waste Management, Inc. stockholders' equity, are as follows (in millions, with amounts in parentheses representing decreases to accumulated other comprehensive income):

	Derivative Instruments	Available- for-Sale Securities	Foreign Currency Translation Adjustments	Post- Retirement Benefit Obligations	Total
Balance, December 31, 2024	\$ 44	\$ 15	\$ (179)	\$ 5	\$ (115)
Other comprehensive income (loss) before reclassifications, net of tax expense (benefit) of \$(1), \$3, \$0 and \$0, respectively	3	8	117	—	128
Amounts reclassified from accumulated other comprehensive (income) loss, net of tax (expense) benefit of \$(1), \$0, \$0 and \$0, respectively	(4)	—	—	—	(4)
Net current period other comprehensive income (loss)	(1)	8	117	—	124
Balance, June 30, 2025	<u>\$ 43</u>	<u>\$ 23</u>	<u>\$ (62)</u>	<u>\$ 5</u>	<u>\$ 9</u>

## 11. Common Stock Repurchase Program

The Company repurchases shares of its common stock as part of capital allocation programs authorized by our Board of Directors.

There were no common stock repurchases during the six months ended June 30, 2025. As a result of the Stericycle acquisition, the Company has temporarily suspended share repurchases. We expect to resume share repurchase once the Company's leverage returns to targeted levels.

## 12. Fair Value Measurements

### *Assets and Liabilities Accounted for at Fair Value*

Our assets and liabilities that are measured at fair value on a recurring basis include the following (in millions):

	June 30, 2025	December 31, 2024
Quoted prices in active markets (Level 1):		
Cash equivalents and money market funds	\$ 269	\$ 56
Equity securities	79	70
Significant other observable inputs (Level 2):		
Available-for-sale securities (a)	551	445
Total assets measured at fair value	<u>\$ 899</u>	<u>\$ 571</u>

(a) Our available-for-sale securities primarily relate to debt securities with maturities over the next ten years.

### ***Fair Value of Debt***

As of June 30, 2025 and December 31, 2024, the carrying value of our debt was \$24.0 billion and \$23.9 billion, respectively. The estimated fair value of our debt was approximately \$23.4 billion and \$22.9 billion as of June 30, 2025 and December 31, 2024, respectively.

Although we have determined the estimated fair value amounts using available market information and commonly accepted valuation methodologies, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, our estimates are not necessarily indicative of the amounts that we, or holders of the instruments, could realize in a current market exchange. The use of different assumptions or estimation methodologies could have a material effect on the estimated fair values. The fair value estimates are based on Level 2 inputs of the fair value hierarchy available as of June 30, 2025 and December 31, 2024. These amounts have not been revalued since those dates, and current estimates of fair value could differ significantly from the amounts presented.

See Note 8 for information related to the nonrecurring fair value measurement of assets and liabilities acquired in connection with our acquisition of Stericycle. See Note 9 for information related to our nonrecurring fair value measurements.

### **13. Variable Interest Entities**

The following is a description of our financial interests in unconsolidated and consolidated variable interest entities that we consider significant:

#### ***Low-Income Housing Properties***

We do not consolidate our investments in entities established to manage low-income housing properties because we are not the primary beneficiary of these entities as we do not have the power to individually direct the activities of these entities. Our aggregate investment balance in these entities was \$660 million and \$707 million as of June 30, 2025 and December 31, 2024, respectively. The debt balance related to our investments in low-income housing properties was \$640 million and \$670 million as of June 30, 2025 and December 31, 2024, respectively. Additional information related to these investments is discussed in Note 4.

#### ***Trust Funds for Final Capping, Closure, Post-Closure or Environmental Remediation Obligations***

*Unconsolidated Variable Interest Entities* — Trust funds that are established for both the benefit of the Company and the host community in which we operate are not consolidated because we are not the primary beneficiary of these entities as (i) we do not have the power to direct the significant activities of the trusts or (ii) power over the trusts' significant activities is shared. Our interests in these trusts are accounted for as investments in unconsolidated entities and receivables. These amounts are recorded in other receivables, investments in unconsolidated entities and other long-term assets in our Condensed Consolidated Balance Sheets, as appropriate. We also reflect our share of the unrealized gains and losses on available-for-sale securities held by these trusts as a component of our accumulated other comprehensive income (loss). Our investments and receivables related to these trusts had an aggregate carrying value of \$117 million and \$111 million as of June 30, 2025 and December 31, 2024, respectively.

*Consolidated Variable Interest Entities* — Trust funds for which we are the sole beneficiary are consolidated because we are the primary beneficiary. These trust funds are recorded in restricted funds in our Condensed Consolidated Balance Sheets. Unrealized gains and losses on available-for-sale securities held by these trusts are recorded as a component of accumulated other comprehensive income (loss). These trusts had a fair value of \$135 million and \$128 million as of June 30, 2025 and December 31, 2024, respectively.

## **Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations.***

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and notes thereto included under Item 1 and our Consolidated Financial Statements and notes thereto and related Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2024.

This Quarterly Report on Form 10-Q contains certain forward-looking statements that are made subject to the safe harbor protections provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often identified by the words, "will," "may," "should," "continue," "anticipate," "believe," "expect," "plan," "forecast," "project," "estimate," "intend," and words of a similar nature and include estimates or projections of financial and other data; comments on expectations relating to future periods; plans or objectives for the future; and statements of opinions, views or beliefs about current and future events, circumstances or performance. You should view these statements with caution. They are based on the facts and circumstances known to us as of the date the statements are made. These forward looking statements are subject to risks and uncertainties that could cause actual results to be materially different from those set forth in such forward-looking statements, including but not limited to failure to implement our optimization, automation, growth and cost savings initiatives and overall business strategy; failure to obtain the results anticipated from strategic initiatives, investments, acquisitions or new lines of business; failure to identify acquisition targets, consummate and integrate acquisitions, including our ability to integrate the acquisition of Stericycle and achieve the anticipated benefits therefrom, including synergies; legal, regulatory and other matters that may affect the costs and timing of our ability to integrate and deliver all of the expected benefits of the Stericycle acquisition; failure to maintain an effective system of internal control over financial reporting; existing or new environmental and other regulations, including developments related to emerging contaminants, gas emissions, renewable energy, extended producer responsibility and our natural gas fleet; significant environmental, safety or other incidents resulting in liabilities or brand damage; failure to obtain and maintain necessary permits due to land scarcity, public opposition or otherwise; diminishing landfill capacity, resulting in increased costs and the need for disposal alternatives; exposure to different regulatory, legal, financial and economic conditions in international jurisdictions; failure to attract, hire and retain key team members and a high quality workforce; increases in labor costs due to union organizing activities or changes in wage and labor related regulations; disruption and costs resulting from severe weather and destructive climate events; failure to achieve our sustainability goals or execute on our sustainability-related strategy and initiatives, including within planned timelines or anticipated budgets due to disruptions, delays, cost increases or changes in environmental or tax regulations and incentives; focus on and regulation of, environmental and sustainability-related disclosures, which could lead to increased costs, risk of non-compliance, brand damage and litigation risk related to our sustainability efforts; macroeconomic conditions, geopolitical conflict and large-scale market disruption resulting in labor, supply chain and transportation constraints, inflationary cost pressures and fluctuations in commodity prices, fuel and other energy costs; increased competition; pricing actions; impacts from international trade restrictions and tariffs; competitive disposal alternatives, diversion of waste from landfills and declining waste volumes; changing conditions in the healthcare industry; weakness in general economic conditions and capital markets; instability of financial institutions; adoption of new tax legislation; fuel shortages; failure to develop and protect new technology; failure of technology to perform as expected; failure to prevent, detect and address cybersecurity incidents or comply with privacy regulations; inability to adapt and manage the benefits and risks of artificial intelligence; negative outcomes of litigation or governmental proceedings, including those acquired through transactions; and operational or management decisions or developments that result in impairment charges and other risks discussed in our filings with the SEC, including Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024. We assume no obligation to update any forward-looking statement, including financial estimates and forecasts, whether as a result of future events, circumstances or developments or otherwise.

### **Overview**

We are North America's leading provider of comprehensive environmental solutions, providing services throughout the United States ("U.S.") and Canada. We partner with our customers and the communities we serve to manage and reduce waste at each stage from collection to disposal, while recovering valuable resources and creating clean, renewable

energy. We own or operate the largest network of landfills throughout the U.S. and Canada. In order to make disposal more practical for larger urban markets, where the distance to landfills is typically farther, we manage transfer stations that consolidate, compact and transport waste efficiently and economically. Our solid waste business is operated and managed locally by our subsidiaries that focus on distinct geographic areas and provide collection, transfer, disposal, recycling and resource recovery services. Through our subsidiaries, including our Waste Management Renewable Energy (“WM Renewable Energy”) segment, we are also a leading developer, operator and owner of landfill gas-to-energy facilities in the U.S. and Canada that produce renewable electricity and renewable natural gas (“RNG”), which is a significant source of fuel that we allocate to our natural gas fleet. Additionally, we are a leading recycler in the U.S. and Canada, handling materials that include paper, cardboard, glass, plastic and metal.

Our senior management evaluates, oversees and manages the financial performance of our business through five reportable segments, referred to as (i) Collection and Disposal - East Tier (“East Tier”); (ii) Collection and Disposal - West Tier (“West Tier”); (iii) Recycling Processing and Sales; (iv) WM Renewable Energy and (v) WM Healthcare Solutions. Our East and West Tiers, along with certain ancillary services (“Other Ancillary”) that are not managed through our Tier segments, but that support our collection and disposal operations, form our “Collection and Disposal” businesses. We also provide additional services not managed through our five reportable segments, which are presented as Corporate and Other.

### *Stericycle Acquisition*

On November 4, 2024, we completed our acquisition of all outstanding shares of Stericycle, Inc., a provider of regulated waste and compliance services and secure information destruction services that protect people and brands, promote health and well-being and safeguard the environment. The post-closing operating results of Stericycle have been included in our Condensed Consolidated Financial Statements as a new reportable segment referred to as WM Healthcare Solutions. During the first half of 2025, we continued to prioritize service delivery for our customers and the integration of operations into WM’s organizational structure, ensuring business alignment with WM’s core values and capturing synergies through reduction of duplicative processes and costs. Additional efforts focused on business integration and process optimization through technological enhancements, establishing a performance management approach aimed at accountability and improving utilization of the asset portfolio.

### *Strategy*

Our fundamental strategy has not changed; we remain dedicated to providing long-term value to our stockholders by successfully executing our core strategy of focused differentiation and continuous improvement. We have enabled a people-first, technology-led focus to drive our mission to maximize resource value, while minimizing environmental impact, and sustainability and environmental stewardship is embedded in all that we do. Our strategy leverages and sustains the strongest asset network in the industry to drive best-in-class customer experience and growth. Our strategic planning processes appropriately consider that the future of our business and the industry can be influenced by changes in economic conditions, the competitive landscape, the regulatory environment, asset and resource availability and technology. We believe that focused differentiation, which is driven by capitalizing on our unique and extensive network of assets, will deliver profitable growth and position us to leverage competitive advantages. Simultaneously, we believe that investing in automation to improve processes and drive operational efficiency combined with a focus on the cost to serve our customers will yield an attractive profit margin and enhanced service quality. We are furthering our strategy of focused differentiation and continuous improvement beyond our traditional waste operations through our sustainability growth strategy that includes significant investments in our WM Renewable Energy and Recycling Processing and Sales segments, while increasing automation and reducing labor dependency. In addition, with our acquisition of Stericycle, we have advanced our growth strategy and built upon our sustainability initiatives. The acquisition provides a complementary business platform in regulated waste and compliance services involving medical waste, a sector with attractive near- and long-term growth dynamics and in secure information destruction services to further our leading suite of comprehensive waste and environmental solutions. Furthermore, we are also evaluating and pursuing emerging diversion technologies that may generate additional value.

## ***Business Environment***

The waste industry is a comparatively mature and stable industry. However, customers increasingly expect more of their waste materials to be recovered and those waste streams are becoming more complex. In addition, many state and local governments mandate diversion, recycling and waste reduction at the source and prohibit the disposal of certain types of waste at landfills. We monitor these developments to adapt our service offerings. As companies, individuals and communities look for ways to be more sustainable, we promote our comprehensive services that go beyond our core business of collecting and disposing of waste in order to meet their needs. This includes expanding traditional recycling services, increasing organics collection and processing, providing regulated waste and compliance services and secure information destruction and expanding our renewable energy projects to meet the evolving needs of our diverse customer base. As North America's leading provider of comprehensive environmental solutions, we are taking big, bold steps to catalyze positive change – change that will impact our Company as well as the communities we serve. Consistent with our Company's long-standing commitment to sustainability and environmental stewardship, we have published our 2025 Sustainability Report providing details on our sustainability-related performance and outlining progress towards our 2030 sustainability goals. The Sustainability Report conveys the strong linkage between the Company's sustainability goals and our growth strategy, inclusive of the planned and ongoing expansion of the Company's Recycling Processing and Sales and WM Renewable Energy segments. The information in this report can be found at [sustainability.wm.com](https://sustainability.wm.com) but it does not constitute a part of, and is not incorporated by reference into, this Quarterly Report on Form 10-Q.

We encounter intense competition from governmental, quasi-governmental and private service providers based on pricing, and to a much lesser extent, the nature of service offerings, particularly in the residential line of business. Our industry is directly affected by changes in general economic factors, including increases and decreases in consumer spending, business expansions and construction activity. These factors generally correlate to volumes of waste generated and impact our revenue. Negative economic conditions and other macroeconomic trends can and have caused customers to reduce their service needs. Such negative economic conditions, in addition to competitor actions, can impact our strategy to negotiate, renew, or expand service contracts and grow our business. We also encounter competition for acquisitions and growth opportunities. General economic factors and the market for consumer goods, in addition to regulatory developments, can also significantly impact commodity prices for the recyclable materials we sell. Significant components of our operating expenses vary directly as we experience changes in revenue due to volume and inflation. Volume changes can fluctuate significantly by line of business and volume changes in higher margin businesses can impact key financial metrics. We must dynamically manage our cost structure in response to volume changes and cost inflation.

We believe the Company's industry-leading asset network and strategic focus on investing in our people and our digital platform will give the Company the necessary tools to address the evolving challenges impacting the Company and our industry. In line with our commitment to continuous improvement and a differentiated customer experience, we remain focused on our automation and optimization investments to enhance our operational efficiency and change the way we interact with our customers. Advancements made through these initiatives are intended to seamlessly and digitally connect all enterprise functions required to service customers and provide the best experience. We have made significant progress in executing this technology enablement strategy to automate and optimize certain elements of our service delivery model. The key benefits are reduced labor dependency for certain high-turnover positions, particularly in customer experience, recycling and residential collection, while further elevating our customer self-service through digitalization and implementation of technologies to enhance the safety, reliability and efficiency within our collection operations.

We sometimes experience margin pressures and variability in earnings and margins from our commodity-driven businesses, specifically within our Recycling Processing and Sales and WM Renewable Energy segments. During the first half of 2025, we experienced decreases in market prices for recycled commodities when compared to the prior year period, particularly in our recycling brokerage business. While the combined impacts of commodity price fluctuations from the prior year had a modestly favorable impact on the WM Renewable Energy segment in the first half of 2025, we may experience more significant impacts from fluctuations in the prices of renewable identification numbers ("RINs") and natural gas as we continue to make investments to grow that segment in the future.

Variability in economic conditions, including inflation, interest rates, employment trends and supply chain reliability, can create risk and uncertainty in financial outlook. We take proactive steps to recover and mitigate inflationary cost

pressures through our overall pricing efforts and by managing our costs through efficiency, labor productivity and investments in technology to automate certain aspects of our business. We remain committed to putting our people first to ensure that they are well positioned to execute our daily operations diligently and safely. We remain focused on delivering outstanding customer service, managing our variable costs with changing volumes and investing in technology that will enhance our customers' experience and provide operating efficiencies intended to reduce our cost to serve our customers.

### ***Current Quarter Financial Results***

During the second quarter of 2025, we continued to focus on our priorities to advance our strategy – enhancing employee engagement, permanently reducing our cost to serve our customers through the use of technology and automation, investing in growth through our Recycling Processing and Sales and WM Renewable Energy segments and integrating the Stericycle business. We continue to invest in our people through paying a competitive market wage, investing in our digital platform and providing training for our team members. We also continue to make investments in automation and optimization to enhance our operational efficiency and improve labor productivity for all lines of business. As part of the integration of Stericycle, which constitutes our new WM Healthcare Solutions segment, we achieved synergies by reducing costs of duplicative business processes, focused on service delivery for our customers and aligned team members and business processes with WM's core values.

Key elements of our financial results for the second quarter include:

- Revenues of \$6,430 million, compared with \$5,402 million in the prior year period, an increase of \$1,028 million, or 19.0%. The increase is primarily attributable to (i) our recent acquisitions, particularly Stericycle; (ii) higher yield in our Collection and Disposal businesses and (iii) higher volumes primarily in our landfill, recycling and WM Renewable Energy businesses. These increases were partially offset by (i) lower residential and temporary industrial collection volumes and (ii) a reduction in single-stream and brokerage recycled commodity prices;
- Operating expenses of \$3,839 million, or 59.7% of revenues, compared with \$3,291 million, or 60.9% of revenues, in the prior year period. The \$548 million increase in operating expenses is primarily attributable to (i) our recent acquisitions; (ii) increased post-collection volumes and (iii) moderate inflationary pressures. These increases were partially offset by (i) lower residential and temporary industrial business volumes and (ii) operating efficiency and cost control initiatives which positioned us to reduce our operating expenses as a percentage of revenue when compared with the prior year period;
- Selling, general and administrative expenses were \$696 million, or 10.8% of revenues, compared with \$501 million, or 9.3% of revenues, in the prior year period. The \$195 million increase is primarily attributable to (i) higher labor costs from acquisitions and (ii) consulting costs incurred to support the integration of Stericycle;
- Income from operations was \$1,151 million, or 17.9% of revenues, compared with \$1,009 million, or 18.7% of revenues, in the prior year period. The \$142 million increase in the current year earnings was primarily driven by (i) growth in our Collection and Disposal business; (ii) a \$54 million charge recognized in the prior year to increase the estimated fair value of a liability associated with the expected disposition of an investment we hold in a waste diversion technology business and (iii) higher volumes in our WM Renewable Energy business due to the completion of projects that increase the beneficial use of landfill gas sold to third parties. This growth was partially offset by (i) higher depreciation and amortization costs and integration related expenses arising from our Stericycle acquisition and (ii) lower recycled commodity prices;
- Net income attributable to Waste Management, Inc. was \$726 million, or \$1.80 per diluted share, compared with \$680 million, or \$1.69 per diluted share, in the prior year period. The \$46 million increase was primarily driven by an increase in income from operations, discussed above, and to a lesser extent a reduction in income tax expense. These increases were partially offset by increased interest expense related to the additional debt incurred to finance our Stericycle acquisition;
- Net cash provided by operating activities was \$1,545 million compared with \$1,154 million in the prior year period, with the increase driven by (i) higher earnings in the majority of our segments, including the contributions from our recent acquisitions and (ii) favorable changes in working capital, net of effects of acquisitions and

divestitures. This increase was partially offset by higher cash interest primarily due to additional debt incurred to fund our acquisition of Stericycle.

- Free cash flow was \$818 million compared with \$530 million in the prior year period. The increase in free cash flow is attributable to the increase in net cash provided by operating activities discussed above. These increases were partially offset by (i) increased capital spending, which was driven by investments in capital assets such as trucks, landfills and equipment and capital expenditures within our WM Healthcare Solutions segment to support the business and (ii) lower proceeds from divestitures of non-strategic assets and businesses. Free cash flow is a non-GAAP measure of liquidity. Refer to Free Cash Flow below for our definition of free cash flow, additional information about our use of this measure, and a reconciliation to net cash provided by operating activities, which is the most comparable GAAP measure.

## Results of Operations

### Operating Revenues

The mix of operating revenues from our major lines of business for the three and six months ended June 30 are as follows (in millions):

	Net Operating Revenues	Intercompany Operating Revenues (a)(b)	Gross Operating Revenues
<b>Three Months Ended June 30:</b>			
<b>2025</b>			
Commercial	\$ 1,398	\$ 220	\$ 1,618
Industrial	790	223	1,013
Residential	872	22	894
Other collection	796	68	864
Total collection	3,856	533	4,389
Landfill	1,036	410	1,446
Transfer	389	292	681
Total Collection and Disposal	5,281	1,235	6,516
Recycling Processing and Sales	381	101	482
WM Renewable Energy	115	—	115
WM Healthcare Solutions	646	1	647
Corporate and Other	7	8	15
Total	<u>\$ 6,430</u>	<u>\$ 1,345</u>	<u>\$ 7,775</u>
<b>2024</b>			
Commercial	\$ 1,330	\$ 196	\$ 1,526
Industrial	779	199	978
Residential	863	23	886
Other collection	729	52	781
Total collection	3,701	470	4,171
Landfill	873	389	1,262
Transfer	348	270	618
Total Collection and Disposal	4,922	1,129	6,051
Recycling Processing and Sales	405	70	475
WM Renewable Energy	69	1	70
Corporate and Other	6	8	14
Total	<u>\$ 5,402</u>	<u>\$ 1,208</u>	<u>\$ 6,610</u>

	Net Operating Revenues	Intercompany Operating Revenues (a)(b)	Gross Operating Revenues
<b>Six Months Ended June 30:</b>			
<b>2025</b>			
Commercial	\$ 2,778	\$ 434	\$ 3,212
Industrial	1,531	422	1,953
Residential	1,744	44	1,788
Other collection	1,549	140	1,689
Total collection	<u>7,602</u>	<u>1,040</u>	<u>8,642</u>
Landfill	1,876	763	2,639
Transfer	725	548	1,273
Total Collection and Disposal	<u>10,203</u>	<u>2,351</u>	<u>12,554</u>
Recycling Processing and Sales	765	182	947
WM Renewable Energy	206	1	207
WM Healthcare Solutions	1,265	9	1,274
Corporate and Other	9	16	25
Total	<u>\$ 12,448</u>	<u>\$ 2,559</u>	<u>\$ 15,007</u>
<b>2024</b>			
Commercial	\$ 2,646	\$ 381	\$ 3,027
Industrial	1,526	386	1,912
Residential	1,717	45	1,762
Other collection	1,427	105	1,532
Total collection	<u>7,316</u>	<u>917</u>	<u>8,233</u>
Landfill	1,665	749	2,414
Transfer	657	521	1,178
Total Collection and Disposal	<u>9,638</u>	<u>2,187</u>	<u>11,825</u>
Recycling Processing and Sales	773	138	911
WM Renewable Energy	138	2	140
Corporate and Other	12	13	25
Total	<u>\$ 10,561</u>	<u>\$ 2,340</u>	<u>\$ 12,901</u>

- (a) Intercompany operating revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.
- (b) Beginning with the 2024 Form 10-K, the Company adjusted gross and intercompany operating revenues to reflect the 15% royalty paid by WM Renewable Energy to our Collection and Disposal and Corporate and Other businesses for the purchase of landfill gas. There was no change to net operating revenues. Prior periods have been recast to conform to current presentation.

The following table provides details associated with the period-to-period change in revenues and average yield (dollars in millions):

	Period-to-Period Change for the Three Months Ended June 30, 2025 vs. 2024				Period-to-Period Change for the Six Months Ended June 30, 2025 vs. 2024			
	Amount	As a % of Related Business(a)	Amount	As a % of Total Company(b)	Amount	As a % of Related Business(a)	Amount	As a % of Total Company(b)
Collection and Disposal	\$ 191	4.1 %			\$ 370	4.0 %		
Recycling Processing and Sales and WM Renewable Energy (c)	(25)	(5.3)			(25)	(2.7)		
Energy surcharge and mandated fees	9	4.2			7	1.7		
Total average yield (d)			\$ 175	3.3 %			\$ 352	3.4 %
Volume (e)			115	2.1			119	1.1
Internal revenue growth			290	5.4			471	4.5
Acquisitions			746	13.7			1,440	13.6
Divestitures			(6)	(0.1)			(10)	(0.1)
Foreign currency translation			(2)	—			(14)	(0.1)
Total			<u>\$ 1,028</u>	<u>19.0 %</u>			<u>\$ 1,887</u>	<u>17.9 %</u>

- (a) Calculated by dividing the increase or decrease for the current year period by the prior year period's related business revenues adjusted to exclude the impacts of divestitures for the current year period.
- (b) Calculated by dividing the increase or decrease for the current year period by the prior year period's total Company revenues adjusted to exclude the impacts of divestitures for the current year period.
- (c) Includes combined impact of commodity price variability in both our Recycling Processing and Sales and WM Renewable Energy segments, as well as changes in certain recycling fees charged by our collection and disposal operations.
- (d) The amounts reported herein represent the changes in our revenues attributable to average yield for the total Company.
- (e) Includes activities from our Corporate and Other businesses.

The following provides further details about our period-to-period change in revenues:

#### *Average Yield*

*Collection and Disposal Average Yield* — This measure reflects the effect on our revenues from the pricing activities of our collection, transfer and landfill operations, exclusive of volume changes. Revenue growth from Collection and Disposal average yield includes not only base rate changes and environmental and service fee fluctuations, but also (i) certain average price changes related to the overall mix of services, which are due to the types of services provided; (ii) changes in average price from new and lost business and (iii) price decreases to retain customers.

The details of our revenue growth from Collection and Disposal average yield are as follows (dollars in millions):

	Period-to-Period Change for the Three Months Ended June 30, 2025 vs. 2024		Period-to-Period Change for the Six Months Ended June 30, 2025 vs. 2024	
	Amount	As a % of Related Business	Amount	As a % of Related Business
Commercial	\$ 74	5.3 %	\$ 153	5.5 %
Industrial	35	3.8	62	3.5
Residential	47	5.7	90	5.4
Total collection	156	4.7	305	4.7
Landfill	22	2.7	34	2.2
Transfer	13	4.0	31	4.8
Total Collection and Disposal	\$ 191	4.1 %	\$ 370	4.0 %

Our overall pricing efforts are focused on keeping pace with the increasing costs and capital intensity of our business. We continue to see yield growth in our landfill business primarily driven by municipal solid waste landfills, which achieved average yield of 7.0% and 5.6% for the three and six months ended June 30, 2025, respectively, led by strong performance in our West Tier.

*Recycling Processing and Sales and WM Renewable Energy* — Recycling Processing and Sales revenues attributable to yield decreased \$33 million and \$41 million for the three and six months ended June 30, 2025, respectively, as compared with the prior year periods. Average market prices for single-stream recycled commodities declined nearly 15% and 5% for the three and six months ended June 30, 2025, respectively, as compared with the prior year periods. Revenues attributable to yield in our WM Renewable Energy segment increased \$8 million and \$16 million for the three and six months ended June 30, 2025, respectively, as compared with the prior year periods, primarily driven by an increase in natural gas and electricity pricing. While there may be short-term fluctuations in our commodity-driven businesses as prices change, we continue to take proactive steps to adjust our business models to protect against the downside risk of changes in commodity prices.

*Energy Surcharge and Mandated Fees* — These fees increased \$9 million and \$7 million for the three and six months ended June 30, 2025, respectively, as compared with the prior year periods. The increase was primarily due to higher mandated fees of \$18 million and \$25 million for the three and six months ended June 30, 2025, respectively, as compared with the prior year periods. The mandated fees are primarily related to fees and taxes assessed by various state, county and municipal government agencies at our landfills and transfer stations, particularly in our West Tier. Partially offsetting the increase was a decline in our energy surcharge revenues of \$9 million and \$18 million for the three and six months ended June 30, 2025, respectively, as compared with the prior year periods, primarily due to a decline in the market prices for diesel fuel of approximately 8% for the three and six months ended June 30, 2025.

#### *Volume*

Our revenues from volume (excluding volumes from acquisitions and divestitures) increased \$115 million and \$119 million for the three and six months ended June 30, 2025, respectively, as compared with the prior year periods. Special waste volume in our West Tier was favorably impacted by the wildfire clean-up activities that began in the first quarter of 2025. Additionally, volumes increased in both our WM Renewable Energy and Recycling Processing and Sales segments primarily due to contributions from growth projects. Furthermore, volumes increased in our Strategic Business Solutions business due to our focus on a differentiated service model for national account customers. These volume increases were partially offset by declines in industrial and residential collection volume primarily due to lower contributions from temporary industrial business and intentional shedding of lower-margin residential business.

### Acquisitions and Divestitures

Acquisitions and divestitures resulted in a net increase in revenues of \$740 million, or 13.6%, and \$1,430 million, or 13.5%, respectively, for the three and six months ended June 30, 2025, as compared with the prior year periods. This increase was primarily due to our acquisition of Stericycle in November 2024. The remaining increase was related to our ongoing investment in tuck-in collection and disposal businesses.

### Operating Expenses

The following table summarizes the major components of our operating expenses for the three and six months ended June 30 (in millions of dollars and as a percentage of revenues):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Labor and related benefits	\$ 1,129	17.6 %	\$ 925	17.1 %	\$ 2,203	17.7 %	\$ 1,818	17.2 %
Transfer and disposal costs	366	5.7	327	6.1	698	5.6	642	6.1
Maintenance and repairs	580	9.0	522	9.7	1,129	9.1	1,011	9.6
Subcontractor costs	631	9.8	561	10.4	1,231	9.9	1,097	10.4
Cost of goods sold	246	3.8	256	4.7	482	3.9	484	4.6
Fuel	129	2.0	111	2.0	260	2.1	223	2.1
Disposal and franchise fees and taxes	215	3.4	190	3.5	396	3.2	362	3.4
Landfill operating costs	142	2.2	134	2.5	266	2.1	263	2.5
Risk management	90	1.4	96	1.8	206	1.6	173	1.6
Other	311	4.8	169	3.1	615	4.9	358	3.4
	<u>\$ 3,839</u>	<u>59.7 %</u>	<u>\$ 3,291</u>	<u>60.9 %</u>	<u>\$ 7,486</u>	<u>60.1 %</u>	<u>\$ 6,431</u>	<u>60.9 %</u>

Our operating expenses for the three and six months ended June 30, 2025 increased as compared with the three and six months ended June 30, 2024, primarily due to (i) our recent acquisitions; (ii) increased post-collection volumes and (iii) moderate inflationary pressures. These increases were offset, in part, by (i) lower residential and temporary industrial business volumes and (ii) continued operating efficiency and cost control initiatives in our Collection and Disposal businesses. Despite the overall increase in operating expenses, efficiency gains, improved turnover and momentum in truck deliveries, combined with the benefit of price increases and high margin special waste volumes, positioned us to reduce our operating expenses as a percentage of revenue when compared with the prior year period.

Significant items affecting the comparison of operating expenses for the reported periods include:

*Labor and Related Benefits* — The increase in labor and related benefits costs was largely driven by (i) the addition of employees as a result of our recent acquisitions and (ii) annual employee wage increases. The increase was offset, in part, by (i) residential collection efficiency improvements; (ii) lower residential volumes attributable to intentional shedding of lower margin contracts and (iii) improved driver retention.

*Transfer and Disposal Costs* — The increase in transfer and disposal costs was primarily due to our recent acquisitions and inflationary cost pressures, which includes increased disposal fees at third-party sites and higher rates from our third-party haulers. This increase was partially offset by lower residential volumes attributable to intentional shedding of lower margin contracts.

*Maintenance and Repairs* — The increase in maintenance and repairs costs was largely driven by (i) additional costs incurred as a part of our recent acquisitions; (ii) inflation in parts, supplies and third-party services and (iii) annual employee wage increases. These increases were offset, in part, by new truck deliveries, which lowered average fleet age and reduced demand for parts, supplies and third-party services.

*Subcontractor Costs* — The increase in subcontractor costs was primarily due to (i) additional costs incurred as a part of our recent acquisitions and (ii) continued inflationary cost pressures, particularly labor costs from third-party haulers. These increases were offset, in part, by the impact of lower fuel prices on third-party subcontracted hauling and services as compared with the three and six months ended June 30, 2024.

*Cost of Goods Sold* — The decrease in cost of goods sold was primarily driven by a 15% and 5% decrease in average market prices for single-stream recycled commodities for the three and six months ended June 30, 2025, respectively, as compared with the prior year periods. This decrease was partially offset by additional pipeline transportation costs attributable to new RNG facilities brought on-line since the prior year periods.

*Fuel* — The increase in fuel costs was primarily due to (i) our recent acquisitions and (ii) the expiration of the federal alternative fuel tax credit on December 31, 2024. These increases were offset, in part, by a decline in the market prices for diesel fuel of approximately 8% as compared to the prior year periods.

*Disposal and Franchise Fees and Taxes* — The increase in disposal and franchise fees and taxes was primarily driven by increased landfill volumes in our West Tier.

*Landfill Operating Costs* — The increase in landfill operating costs for the three and six months ended June 30, 2025, as compared to the three and six months ended June 30, 2024, was primarily due to an increase in volumes and higher leachate treatment costs in our West Tier. Partially offsetting the increase for the six months ended June 30, 2025 were certain adjustments to increase our environmental remediation reserve during the first quarter of 2024.

*Risk Management* — Risk management costs decreased for the three months ended June 30, 2025, as compared to the three months ended June 30, 2024, primarily due to improved claims experience offset, in part, by (i) additional claims and premiums attributable to our recent acquisitions and (ii) prior year quarter insurance recoveries for property claims associated with a hurricane in 2023. The increase for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, was due to (i) additional claims and premiums attributable to our recent acquisitions and (ii) increases in claims costs due to negative claim development on a limited population of severe cases during the first quarter of 2025.

*Other* — Other operating cost increases were primarily due to (i) additional expenses attributable to our recent acquisitions; (ii) gains on the sale of real estate in 2024 and, to a much lesser extent, (iii) increased utility costs largely attributable to new RNG plants brought on-line since the prior year periods and increased power prices.

#### ***Selling, General and Administrative Expenses***

The following table summarizes the major components of our selling, general and administrative expenses for the three and six months ended June 30 (in millions of dollars and as a percentage of revenues):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Labor and related benefits	\$ 412	6.4 %	\$ 316	5.9 %	\$ 839	6.7 %	\$ 637	6.0 %
Professional fees	106	1.6	64	1.2	198	1.6	111	1.1
Provision for bad debts	24	0.4	16	0.3	43	0.4	26	0.2
Other	154	2.4	105	1.9	303	2.4	218	2.1
	<u>\$ 696</u>	<u>10.8 %</u>	<u>\$ 501</u>	<u>9.3 %</u>	<u>\$ 1,383</u>	<u>11.1 %</u>	<u>\$ 992</u>	<u>9.4 %</u>

Selling, general and administrative expenses increased for the three and six months ended June 30, 2025 primarily due to higher labor costs from acquisitions as well as consulting costs incurred to support the integration of Stericycle.

Significant items affecting the comparison of our selling, general and administrative expenses for the reported periods include:

*Labor and Related Benefits* — The increase in labor and related benefits costs was primarily related to (i) our recent acquisitions, particularly Stericycle; (ii) higher long-term incentive compensation costs and (iii) annual employee wage increases.

*Professional Fees* — The increase in professional fees was primarily attributable to our acquisition of Stericycle, including integration, business optimization and system development costs.

*Provision for Bad Debts* — The increase in provision for bad debts was primarily attributable to our WM Healthcare Solutions segment.

*Other* — The increase in other expenses was primarily related to increased spend across multiple cost categories, including technology, risk management and travel, largely driven by the acquisition of Stericycle.

#### ***Depreciation, Depletion and Amortization Expenses***

The following table summarizes the components of our depreciation, depletion and amortization expenses for the three and six months ended June 30 (in millions of dollars and as a percentage of revenues):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Depreciation of tangible property and equipment	\$ 386	6.0 %	\$ 312	5.8 %	\$ 757	6.1 %	\$ 620	5.9 %
Depletion of landfill airspace	220	3.4	201	3.7	403	3.3	377	3.6
Amortization of intangible assets	102	1.6	30	0.6	204	1.6	60	0.5
	<u>\$ 708</u>	<u>11.0 %</u>	<u>\$ 543</u>	<u>10.1 %</u>	<u>\$ 1,364</u>	<u>11.0 %</u>	<u>\$ 1,057</u>	<u>10.0 %</u>

The increase in depreciation of tangible property and equipment for the three and six months ended June 30, 2025, as compared to the prior year periods, was driven by (i) our recent acquisitions and (ii) investments in capital assets such as trucks, landfills and equipment. The increase in depletion of landfill airspace for the three and six months ended June 30, 2025, as compared to the prior year periods, was primarily driven by volume increases, particularly at sites within our West Tier. The increase in amortization of intangible assets for the three and six months ended June 30, 2025 was primarily driven by the amortization of customer relationships and other intangibles acquired as part of the Stericycle acquisition.

#### ***Restructuring***

The increase in restructuring charges during the three and six months ended June 30, 2025 was primarily driven by employee costs related to our acquisition of Stericycle.

#### ***(Gain) Loss from Divestitures, Asset Impairments and Unusual Items, Net***

(Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2025, primarily relates to a \$16 million goodwill impairment charge to a business engaged in oil recovery and sludge processing services. This charge is reflected in Other Ancillary within our Collection and Disposal businesses.

(Gain) loss from divestitures, asset impairments and unusual items, net for the three and six months ended June 30, 2024 primarily relates to a \$54 million charge required to increase the estimated fair value of a liability associated with the expected disposition of an investment the Company holds in a waste diversion technology business. This charge is reflected in our Corporate and Other measures within our segment reporting.

## Income from Operations

The following table summarizes income from operations for our reportable segments for the three and six months ended June 30 (dollars in millions):

	Three Months Ended		Period-to-Period		Six Months Ended		Period-to-Period	
	June 30,	June 30,	Change		June 30,	June 30,	Change	
	2025	2024			2025	2024		
<b>Collection and Disposal:</b>								
East Tier	\$ 721	\$ 692	\$ 29	4.2 %	\$ 1,390	\$ 1,346	\$ 44	3.3 %
West Tier	757	674	83	12.3	1,436	1,301	135	10.4
Other Ancillary	(17)	(7)	(10)	*	(20)	(9)	(11)	*
Collection and Disposal	1,461	1,359	102	7.5	2,806	2,638	168	6.4
Recycling Processing and Sales	24	29	(5)	(17.2)	42	48	(6)	(12.5)
WM Renewable Energy	38	18	20	111.1	57	39	18	46.2
WM Healthcare Solutions	(23)	—	(23)	*	(44)	—	(44)	*
Corporate and Other	(349)	(397)	48	(12.1)	(697)	(700)	3	(0.4)
<b>Total</b>	<b>\$ 1,151</b>	<b>\$ 1,009</b>	<b>\$ 142</b>	<b>14.1 %</b>	<b>\$ 2,164</b>	<b>\$ 2,025</b>	<b>\$ 139</b>	<b>6.9 %</b>
Percentage of revenues	17.9 %	18.7 %			17.4 %	19.2 %		

\*Percentage change does not provide a meaningful comparison.

The significant items affecting income from operations for our segments during the three and six months ended June 30, 2025, as compared with the prior year periods, are summarized below:

- *Collection and Disposal* — Income from operations in our Collection and Disposal businesses increased primarily due to (i) revenue growth from price increases, which translate into increased yield or average unit price; (ii) special waste volume in our West Tier, which was favorably impacted by the wildfire clean-up activities and (iii) actions to improve the efficiency and operating costs incurred to serve our customers. These increases were partially offset by higher depreciation and depletion costs as discussed in *Depreciation, Depletion and Amortization Expenses* above.
- *Recycling Processing and Sales* — The decline in income from operations in Recycling Processing and Sales was primarily due to (i) a gain on sale of a non-strategic asset in 2024; (ii) declining commodity prices compared to the prior year periods and (iii) lease termination costs. These decreases were partially offset by increased volumes, which can be attributed to the improved throughput of our facilities and the addition of new market facilities, and improved operating costs from the automation of our recycling facilities.
- *WM Renewable Energy* — The increase in income from operations in WM Renewable Energy was primarily due to higher volumes resulting from the completion of projects that increase the beneficial use of landfill gas sold to third parties.
- *WM Healthcare Solutions* — The loss generated during the three months and six months ended June 30, 2025, respectively, was largely attributable to (i) depreciation and amortization expenses and (ii) integration related expenses. There was no activity for this segment during the first half of 2024, as Stericycle was acquired in November 2024.
- *Corporate and Other* — The increase in income from operations was primarily driven by (i) a \$54 million charge in the prior year to increase the estimated fair value of a liability associated with the expected disposition of an investment we hold in a waste diversion technology business and (ii) an improvement in risk management expenses. These increases were partially offset by (i) integration-related consulting fees in connection with our Stericycle acquisition; (ii) higher labor costs resulting from long-term incentive compensation costs and annual employee wage increases and (iii) professional services supporting business optimization.

### ***Interest Expense, Net***

Our interest expense, net was \$232 million and \$464 million for the three and six months ended June 30, 2025, respectively, compared to \$136 million and \$266 million for the three and six months ended June 30, 2024, respectively. The increase is primarily related to an increase in our average debt balances to fund our November 2024 acquisition of Stericycle.

### ***Income Tax Expense***

Our income tax expense and effective income tax rate was \$201 million, or 21.7%, and \$352 million, or 20.5%, for the three and six months ended June 30, 2025, respectively, compared to \$214 million, or 23.9%, and \$376 million, or 21.3%, for the three and six months ended June 30, 2024, respectively. See Note 4 to the Condensed Consolidated Financial Statements for more information related to income taxes.

*Tax Legislation* — On July 4, 2025, President Trump signed the One Big Beautiful Bill Act into law. We are currently evaluating several business tax provisions in the legislation, none of which are expected to have a material impact on our effective tax rate. However, the permanent reinstatement of 100% bonus depreciation is expected to reduce our cash taxes by approximately \$125 million in 2025.

The Inflation Reduction Act of 2022 (“IRA”) contains several tax-related provisions, including with respect to (i) alternative fuel tax credits; (ii) tax incentives for investments in renewable energy production, carbon capture and other climate actions and (iii) the overall measurement of corporate income taxes. Given the complexity and uncertainty around the applicability of the legislation to our specific facts and circumstances, we continue to analyze the IRA provisions to identify and quantify potential opportunities and applicable benefits included in the legislation. The provisions of the IRA concerning investment tax credits are expected to generate a cumulative benefit of approximately \$400 million, \$145 million of which was recognized in 2023 and 2024 with the remainder anticipated to be realized in 2025 and 2026. The expected benefit from the investment tax credit for 2025 and 2026 is dependent on a number of estimates and assumptions, including the timing of project completion. Additionally, we expect that the production tax credit incentives for investments in renewable energy and carbon capture, as expanded by the IRA, could result in an incremental benefit to the Company, although at this time, the anticipated amount of such benefit has not been quantified due, in part, to the lack of regulatory guidance.

### **Liquidity and Capital Resources**

The Company consistently generates cash flow from operations that meets and exceeds our working capital needs, allows for payment of our dividends, investment in the business through capital expenditures and tuck-in acquisitions and funding of strategic sustainability growth investments. We continually monitor our actual and forecasted cash flows, our liquidity and our capital resources, enabling us to plan for our present needs and fund unbudgeted business requirements that may arise during the year. The Company believes that its investment grade credit ratings, diverse investor base, large value of unencumbered assets and modest leverage enable it to obtain adequate financing, and refinance upcoming maturities, as necessary to meet its ongoing capital, operating, strategic and other liquidity requirements. We also have the ability to manage liquidity during periods of significant financial market disruption through temporary modification of our capital expenditure and share repurchase plans.

### Summary of Cash and Cash Equivalents, Restricted Funds and Debt Obligations

The following is a summary of our cash and cash equivalents, restricted funds and debt balances (in millions):

	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 440	\$ 414
Restricted funds and other:		
Insurance reserves	\$ 518	\$ 385
Final capping, closure, post-closure and environmental remediation funds	135	128
Other	4	—
Total restricted funds and other (a)	\$ 657	\$ 513
Debt:		
Current portion	\$ 964	\$ 1,359
Long-term portion	23,056	22,541
Total debt	\$ 24,020	\$ 23,900

(a) As of June 30, 2025 and December 31, 2024, \$104 million and \$100 million, respectively, of these account balances were included in other current assets in our Condensed Consolidated Balance Sheets.

*Debt* — As of June 30, 2025, we had approximately \$4.0 billion of debt maturing within the next 12 months, including (i) \$1.5 billion of short-term borrowings under our commercial paper program (net of related discount on issuance); (ii) \$1.5 billion of tax-exempt bonds with term interest rate periods that expire within the next 12 months, which is prior to their scheduled maturities; (iii) \$500 million of 0.75% senior notes that mature in November 2025 and (iv) \$464 million of other debt with scheduled maturities within the next 12 months, including \$298 million of tax-exempt bonds. As of June 30, 2025, we have classified \$3.0 billion of debt maturing in the next 12 months as long term because we have the intent and ability to refinance these borrowings on a long-term basis as supported by the forecasted available capacity under our \$3.5 billion long-term U.S. and Canadian revolving credit facility. The remaining \$964 million of debt maturing in the next 12 months is classified as current obligations.

### Guarantor Financial Information

WM Holdings has fully and unconditionally guaranteed all of WMI's senior indebtedness. WMI has fully and unconditionally guaranteed all of WM Holdings' senior indebtedness. None of WMI's other subsidiaries have guaranteed any of WMI's or WM Holdings' debt. In lieu of providing separate financial statements for the subsidiary issuer and guarantor (WMI and WM Holdings), we have presented the accompanying supplemental summarized combined balance sheet and income statement information for WMI and WM Holdings on a combined basis after elimination of intercompany transactions between WMI and WM Holdings and amounts related to investments in any subsidiary that is a non-guarantor (in millions):

	June 30, 2025	December 31, 2024
<b>Balance Sheet Information:</b>		
Current assets	\$ 244	\$ 15
Noncurrent assets	14	14
Current liabilities	990	1,367
Noncurrent liabilities:		
Advances due to affiliates	16,367	15,328
Other noncurrent liabilities	20,580	20,140

	<b>Six Months Ended June 30, 2025</b>
<b>Income Statement Information:</b>	
Revenue	\$ —
Operating income	(462)
Net loss	(342)

### *Summary of Cash Flow Activity*

The following is a summary of our cash flows for the six months ended June 30 (in millions):

	<b>2025</b>	<b>2024</b>
Net cash provided by operating activities	<u>\$ 2,753</u>	<u>\$ 2,521</u>
Net cash used in investing activities	<u>\$ (1,915)</u>	<u>\$ (2,359)</u>
Net cash used in financing activities	<u>\$ (781)</u>	<u>\$ (464)</u>

*Net Cash Provided by Operating Activities* — Our operating cash flows increased by \$232 million for the six months ended June 30, 2025, as compared with the prior year period, driven by higher earnings in the majority of our segments, including the contributions from our recent acquisitions. These increases were partially offset by (i) higher cash interest primarily due to additional debt incurred to fund our acquisition of Stericycle; (ii) unfavorable changes in working capital, net of effects of acquisitions and divestitures, primarily driven by timing of cash collections and (iii) higher annual incentive compensation payments.

*Net Cash Used in Investing Activities* — The most significant items included in our investing cash flows for the six months ended June 30, 2025 and 2024 are summarized below:

- *Capital Expenditures* — We used \$1,563 million and \$1,335 million for capital expenditures during the six months ended June 30, 2025 and 2024, respectively. The increase in capital spending is primarily driven by (i) investments in capital assets such as trucks, landfills and equipment and (ii) capital expenditures within our WM Healthcare Solutions segment to support the business.
- *Acquisitions* — Our spending on acquisitions was \$374 million and \$250 million during the six months ended June 30, 2025 and 2024, respectively, of which \$366 million and \$243 million, respectively, are considered cash used in investing activities. The remaining spend is cash used in financing activities related to the timing of contingent consideration paid. Substantially all of these acquisitions are related to our solid waste and recycling businesses.
- *Divestitures* — Proceeds from divestitures of businesses and other assets, net of cash divested were \$103 million and \$58 million for the six months ended June 30, 2025 and 2024, respectively. Proceeds in 2025 primarily related to the sale of our WM Healthcare Solutions' Spain and Portugal subsidiaries. The remaining 2025 and 2024 proceeds were from the sale of certain non-strategic assets.
- *Other, Net* — The year-over-year changes in other investing activities were primarily driven by our 2024 repurchase of \$778 million in certain WM tax-exempt bonds. The remaining year-over-year changes in other investing activities are primarily driven by changes in our investment portfolio associated with a wholly-owned insurance captive. During the six months ended June 30, 2025 and 2024, we used \$87 million and \$61 million, respectively, of cash from restricted cash and cash equivalents to invest in available-for-sale securities.

*Net Cash Used in Financing Activities* — The most significant items affecting the comparison of our financing cash flows for the six months ended June 30, 2025 and 2024 are summarized below:

- *Debt Borrowings and Repayments* — The following summarizes our cash borrowings and repayments of debt for the six months ended June 30 (in millions):

	<u>2025</u>	<u>2024</u>
<i>Borrowings:</i>		
Commercial paper	\$ 9,005	\$ 9,180
Tax-exempt bonds	130	—
	<u>\$ 9,135</u>	<u>\$ 9,180</u>
<i>Repayments:</i>		
Commercial paper	\$ (8,744)	\$ (8,496)
Senior notes	(422)	(156)
Tax-exempt bonds	—	(30)
Other debt	(68)	(70)
	<u>\$ (9,234)</u>	<u>\$ (8,752)</u>
<i>Net cash borrowings (repayments)</i>	<u>\$ (99)</u>	<u>\$ 428</u>

Refer to Note 3 to the Condensed Consolidated Financial Statements for additional information related to our debt borrowings and repayments.

- *Common Stock Repurchase Program* — During the six months ended June 30, 2024, we used \$262 million to repurchase shares of our common stock under accelerated share repurchase agreements. In the fourth quarter of 2024, we announced our temporary suspension of share repurchase activity as a result of the acquisition of Stericycle. We expect to resume share repurchases once the Company's leverage returns to targeted levels, which is currently projected to be the second quarter of 2026.
- *Cash Dividends* — For the periods presented, all dividends have been declared by our Board of Directors. We paid cash dividends of \$669 million and \$608 million during the six months ended June 30, 2025 and 2024, respectively. The increase in dividend payments is primarily due to our quarterly per share dividend increasing from \$0.75 in 2024 to \$0.825 in 2025.

#### ***Free Cash Flow***

We are presenting free cash flow, which is a non-GAAP measure of liquidity, in our disclosures because we use this measure in the evaluation and management of our business. We define free cash flow as net cash provided by operating activities, less capital expenditures, plus proceeds from divestitures of businesses and other assets, net of cash divested. We believe it is indicative of our ability to pay our quarterly dividends, repurchase common stock, fund acquisitions and other investments and, in the absence of refinancings, to repay our debt obligations. Free cash flow is not intended to replace net cash provided by operating activities, which is the most comparable GAAP measure. We believe free cash flow gives investors useful insight into how we view our liquidity, but the use of free cash flow as a liquidity measure has material limitations because it excludes certain expenditures that are required or that we have committed to, such as declared dividend payments and debt service requirements.

Our calculation of free cash flow and reconciliation to net cash provided by operating activities for the three and six months ended June 30, 2025 and 2024 is shown in the table below (in millions) and may not be calculated the same as similarly-titled measures presented by other companies:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net cash provided by operating activities	\$ 1,545	\$ 1,154	\$ 2,753	\$ 2,521
Capital expenditures to support the business	(572)	(445)	(1,275)	(947)
Capital expenditures - sustainability growth investments (a)	(160)	(222)	(288)	(388)
Total capital expenditures	(732)	(667)	(1,563)	(1,335)
Proceeds from divestitures of businesses and other assets, net of cash divested	5	43	103	58
Free cash flow	<u>\$ 818</u>	<u>\$ 530</u>	<u>\$ 1,293</u>	<u>\$ 1,244</u>

(a) These growth investments are intended to further our sustainability leadership position by increasing recycling volumes and growing renewable natural gas generation. We expect they will deliver circular solutions for our customers and drive environmental value to the communities we serve.

### Critical Accounting Estimates and Assumptions

In preparing our financial statements, we make numerous estimates and assumptions that affect the accounting for and recognition and disclosure of assets, liabilities, equity, revenues and expenses. We must make these estimates and assumptions because certain information that we use is dependent on future events, cannot be calculated with precision from available data or simply cannot be calculated. In some cases, these estimates are difficult to determine and we must exercise significant judgment. In preparing our financial statements, the most difficult, subjective and complex estimates and the assumptions that present the greatest amount of uncertainty relate to our accounting for landfills, environmental remediation liabilities, long-lived asset impairments, intangible asset impairments and the fair value of assets and liabilities acquired in business combinations, as described in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024. Actual results could differ materially from the estimates and assumptions that we use in the preparation of our financial statements.

### Seasonal Trends

Our financial and operating results may fluctuate for many reasons, including period-to-period changes in the relative contribution of revenue by each line of business, changes in commodity prices and general economic conditions. Our operating revenues and volumes typically experience seasonal increases in the summer months that are reflected in second and third quarter revenues and results of operations.

Service or operational disruptions caused by severe storms, extended periods of inclement weather or climate events can significantly affect the operating results of the geographic areas affected. Extreme weather events may also lead to supply chain disruption and delayed project development, or disruption of our customers' businesses, reducing the amount of waste generated by their operations.

Conversely, certain destructive weather and climate conditions, such as wildfires in the Western U.S. and hurricanes that most often impact our operations in the Southern and Eastern U.S. during the second half of the year, can increase our revenues in the geographic areas affected as a result of the waste volumes generated by these events. While weather-related and other event-driven special projects can boost revenues through additional work for a limited time, due to significant start-up costs and other factors, such revenue can generate earnings at comparatively lower margins.

## **Inflation**

Variability in economic conditions, including inflation, interest rates, employment trends, and supply chain reliability, can create risk and uncertainty in financial outlook. We take proactive steps to recover and mitigate inflationary cost pressures through our overall pricing efforts and by managing our costs through efficiency, labor productivity and investments in technology to automate certain aspects of our business. These efforts may not be successful for various reasons including the pace of inflation, operating cost inefficiencies, market responses and contractual limitations, such as the timing lag in our ability to recover increased costs under certain contracts that are tied to a price escalation index with a lookback provision.

### **Item 3. *Quantitative and Qualitative Disclosures About Market Risk.***

Information about market risks as of June 30, 2025 does not materially differ from that discussed under Item 7A in our Annual Report on Form 10-K for the year ended December 31, 2024.

### **Item 4. *Controls and Procedures.***

#### **Effectiveness of Disclosure Controls and Procedures**

Our management, with the participation of our principal executive and financial officers, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) in ensuring that the information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, including ensuring that such information is accumulated and communicated to management (including the principal executive and financial officers) as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive and financial officers have concluded that such disclosure controls and procedures were effective as of June 30, 2025 (the end of the period covered by this Quarterly Report on Form 10-Q) at a reasonable assurance level.

#### **Changes in Internal Control over Financial Reporting**

Management, together with our CEO and CFO, evaluated the changes in our internal control over financial reporting during the quarter ended June 30, 2025. We determined that there were no changes in our internal control over financial reporting during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II.

### **Item 1. *Legal Proceedings.***

Information regarding our legal proceedings can be found under the *Environmental Matters* and *Litigation* sections of Note 6 to the Condensed Consolidated Financial Statements.

### **Item 1A. *Risk Factors.***

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024.

### **Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.***

None.

### **Item 3. *Defaults Upon Senior Securities.***

None.

### **Item 4. *Mine Safety Disclosures.***

Information concerning mine safety and other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this quarterly report.

### **Item 5. *Other Information.***

#### **Securities Trading Plans of Directors and Executive Officers**

On May 20, 2025, Tara J. Hemmer, Senior Vice President and Chief Sustainability Officer, adopted a written net share settlement plan (the “Hemmer Plan”). The Hemmer Plan went into effect on the date of adoption and was not intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The Hemmer Plan provided that, upon our common stock reaching specified market prices on or before June 5, 2025, the Company would exercise up to 53,429 stock options and withhold shares of common stock necessary to cover the option exercise price and tax obligations. The options were automatically exercised pursuant to the terms of the Hemmer Plan and all remaining shares of common stock resulting from the option exercises after the net share settlement process were delivered to Ms. Hemmer.

On May 30, 2025, Charles Boettcher, Executive Vice President and Chief Legal Officer, adopted a written net share settlement plan (the “Boettcher Plan”). The Boettcher Plan went into effect on the date of adoption and was not intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The Boettcher Plan provided that, upon our common stock reaching specified market prices on or before June 6, 2025, the Company would exercise up to 15,072 stock options and withhold shares of common stock necessary to cover the option exercise price and tax obligations. The options were automatically exercised pursuant to the terms of the Boettcher Plan and all remaining shares of common stock resulting from the option exercises after the net share settlement process were delivered to Mr. Boettcher.

**Item 6. Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
4.1	<a href="#"><u>Indenture for Senior Debt Securities dated September 10, 1997, among the Registrant and The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association), as trustee [incorporated by reference to Exhibit 4.1 to Form 8-K dated September 10, 1997].</u></a>
4.2*	<a href="#"><u>Form of 3.875% Senior Note due 2029.</u></a>
10.1*	<a href="#"><u>First Amendment to First Amended and Restated Employment Agreement by and between USA Waste-Management Resources, LLC and John J. Morris, Jr.</u></a>
22.1*	<a href="#"><u>Guarantor Subsidiary.</u></a>
31.1*	<a href="#"><u>Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934 James C. Fish, Jr., Chief Executive Officer.</u></a>
31.2*	<a href="#"><u>Certification Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934 Devina A. Rankin, Executive Vice President and Chief Financial Officer.</u></a>
32.1**	<a href="#"><u>Certification Pursuant to 18 U.S.C. §1350 of James C. Fish, Jr., Chief Executive Officer.</u></a>
32.2**	<a href="#"><u>Certification Pursuant to 18 U.S.C. §1350 of Devina A. Rankin, Executive Vice President and Chief Financial Officer.</u></a>
95*	<a href="#"><u>Mine Safety Disclosures.</u></a>
101.INS*	Inline XBRL Instance.
101.SCH*	Inline XBRL Taxonomy Extension Schema.
101.CAL*	Inline XBRL Taxonomy Extension Calculation.
101.LAB*	Inline XBRL Taxonomy Extension Labels.
101.PRE*	Inline XBRL Taxonomy Extension Presentation.
101.DEF*	Inline XBRL Taxonomy Extension Definition.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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\* Filed herewith.

\*\* Furnished herewith.



## BOOK-ENTRY SECURITY

THIS SECURITY IS A BOOK-ENTRY SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE OF A DEPOSITORY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS SECURITY AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR’S NOMINEE AND TRANSFERS OF INTERESTS IN THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF AND IN THIS CERTIFICATE.

IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE SECURITY REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH SECURITY REGISTRAR AND TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS.

BY ITS ACQUISITION HEREOF, THE HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (A) NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE AND HOLD THIS SECURITY CONSTITUTES ASSETS OF AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) THAT IS SUBJECT TO TITLE I OF ERISA, OF ANY PLAN, ACCOUNT OR

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OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR ANY PROVISIONS UNDER ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE ("SIMILAR LAWS"), OR OF ANY ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT, OR (B) THE PURCHASE AND HOLDING OF THIS SECURITY BY SUCH HOLDER WILL NOT CONSTITUTE A NONEXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION UNDER ANY APPLICABLE SIMILAR LAWS.

THIS NOTE HAS BEEN ISSUED WITH "ORIGINAL ISSUE DISCOUNT" (WITHIN THE MEANING OF SECTION 1273 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED) FOR U.S. FEDERAL INCOME TAX PURPOSES. UPON WRITTEN REQUEST, THE COMPANY WILL PROMPTLY MAKE AVAILABLE TO ANY HOLDER OF THIS NOTE THE FOLLOWING INFORMATION: (1) THE ISSUE PRICE AND DATE OF THE NOTE, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE NOTE AND (3) THE YIELD TO MATURITY OF THE NOTE. HOLDERS SHOULD CONTACT THE TREASURER OF THE COMPANY AT 800 CAPITOL STREET, SUITE 3000, HOUSTON, TEXAS 77002.

No.	Principal Amount
	\$ _____,
	which may be decreased
	by the Schedule of
WASTE MANAGEMENT, INC.	Exchanges of Definitive
	Security attached hereto
3.875% SENIOR NOTES DUE 2029	
	CUSIP

WASTE MANAGEMENT, INC., a Delaware corporation (the "Company," which term includes any successors under the Indenture hereinafter referred to), for value received, hereby promises to pay to CEDE & CO. or registered assigns, at the office or agency of the Company, the principal sum of \_\_\_\_\_ Million (\$ \_\_\_\_\_) U.S. dollars, or such lesser principal sum as is shown on the attached Schedule of Exchanges of Definitive Security, on January 15, 2029 in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest at an annual rate of 3.875% payable on January 15 and July 15 of each year, to the person in whose name this Security is registered at the close of business on the record date for such interest, which shall be the preceding January 1 or July 1, respectively, payable commencing July 15, 2025, with interest accruing from January 15, 2025, or the most recent date to which interest has been paid.

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Reference is made to the further provisions of this Security set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

The statements in the legends set forth above are an integral part of the terms of this Security and by acceptance hereof the Holder of this Security agrees to be subject to, and bound by, the terms and provisions set forth in each such legend.

This Security is issued in respect of a series of Securities of an initial aggregate of \$485,084,000 in principal amount designated as the 3.875% Senior Notes due 2029 of the Company and is governed by the Indenture dated as of September 10, 1997, duly executed and delivered by the Company, formerly known as USA Waste Services, Inc., to The Bank of New York Mellon Trust Company, N.A. (the current successor to Texas Commerce Bank National Association) as trustee (the "Trustee"), as supplemented by Board Resolutions (as defined in the Indenture) (such Indenture and Board Resolutions, collectively, the "Indenture"). The terms of the Indenture are incorporated herein by reference. This Security shall in all respects be entitled to the same benefits as definitive Securities under the Indenture.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with any other provision of the Indenture that is required to be included in the Indenture or is deemed applicable to the Indenture by virtue of the provisions of the Trust Indenture Act of 1939, as amended, such required provision shall control.

The Company hereby irrevocably undertakes to the Holder hereof to exchange this Security in accordance with the terms of the Indenture without charge.

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This Security shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been manually signed by the Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: WASTE MANAGEMENT, INC.,  
a Delaware corporation  
By: \_\_\_\_\_  
Leslie K. Nagy  
Vice President and Treasurer

Attest:  
By: \_\_\_\_\_  
Courtney A. Tippy  
Vice President and Corporate Secretary

#### CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Date of Authentication: The Bank of New York Mellon Trust Company,  
N.A., as Trustee  
By: \_\_\_\_\_  
Authorized Officer

*Signature Page to Global Note  
(3.875% Senior Notes due 2029)*

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REVERSE OF BOOK-ENTRY SECURITY

WASTE MANAGEMENT, INC.

3.875% SENIOR NOTES DUE 2029

This Security is one of a duly authorized issue of unsecured debentures, notes or other evidences of indebtedness of the Company (the “Debt Securities”) of the series hereinafter specified, all issued or to be issued under and pursuant to the Indenture, to which Indenture reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Debt Securities.

The Debt Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Security is one of a series designated as the 3.875% Senior Notes due 2029 of the Company, in initial aggregate principal amount of \$485,084,000 (the “Securities”).

1. *Interest.*

The Company promises to pay interest on the principal amount of this Security at the rate of 3.875% per annum.

The Company will pay interest semi-annually on January 15 and July 15 of each year (each an “Interest Payment Date”), commencing July 15, 2025. Interest on the Securities will accrue from the most recent date to which interest has been paid or, if no interest has been paid on the Securities, from January 15, 2025. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Company shall pay interest (including post-petition interest in any proceeding under any applicable bankruptcy laws) on overdue installments of interest (without regard to any applicable grace period) and on overdue principal and premium, if any, from time to time on demand at the rate of 3.875% per annum, in each case to the extent lawful.

2. *Method of Payment.*

The Company shall pay interest on the Securities (except Defaulted Interest) to the persons who are the registered Holders at the close of business on the Regular Record Date immediately preceding the Interest Payment Date. Any such interest not so punctually paid or duly provided for (“Defaulted Interest”) may be paid to the persons who are registered Holders at the close of business on a Special Record Date for the payment of such Defaulted Interest, or in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may then be listed if such manner of payment shall be deemed practicable by the Trustee, as more fully provided in the Indenture. Except as provided below, the Company shall pay principal and interest in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public and private debts (“U.S. Legal Tender”).

Payments in respect of a Book-Entry Security (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the

Depository. Payments in respect of Securities in definitive form (including principal, premium, if any, and interest) will be made at the office or agency of the Company maintained for such purpose within the Borough of Manhattan, the City of New York, which initially will be at the corporate trust office of The Bank of New York Mellon, located at 240 Greenwich Street, New York, New York, 10286 or at the option of the Company, payment of interest may be made by check mailed to the Holders on the Regular Record Date or on the Special Record Date at their addresses set forth in the Security Register of Holders.

3. *Paying Agent and Registrar.*

Initially, The Bank of New York Mellon Trust Company, N.A. will act as Paying Agent and Registrar. The Company may change any Paying Agent, Registrar or co-Registrar at any time upon notice to the Trustee and the Holders. The Company or any of its Subsidiaries may, subject to certain exceptions, act as Paying Agent, Registrar or co-Registrar.

4. *Indenture.*

This Security is one of a duly authorized issue of Debt Securities of the Company issued and to be issued in one or more series under the Indenture.

Capitalized terms herein are used as defined in the Indenture unless otherwise defined herein. The terms of the Securities include those stated in the Indenture and all indentures supplemental thereto, those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended, as in effect on the date of the Indenture, and those terms stated in the Officers' Certificate to the Trustee, duly authorized by resolutions of the Board of Directors of the Company on August 26, 2024 and October 3, 2024 (the "Resolutions") and the written consent of the Sole Director of Waste Management Holdings, Inc. on September 5, 2024 (the "Consent"). The Securities are subject to all such terms, and Holders of Securities are referred to the Indenture, all indentures supplemental thereto, said Act, said Resolutions and said Consent and Officers' Certificate for a statement of them. The Securities of this series are general unsecured obligations of the Company limited with an initial aggregate principal amount of \$485,084,000.

5. *Redemption.*

Prior to the Par Call Date, the Company may redeem the Securities at its option, in whole or in part, at any time and from time to time, at a Redemption Price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of:

(1) (a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming the Securities matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, *plus* 10 basis points, *less* (b) interest accrued to the Redemption Date, and

(2) 100% of the principal amount of the Securities to be redeemed,

plus, in either case, accrued and unpaid interest thereon to the Redemption Date.

On or after the Par Call Date, the Company may redeem the Securities at its option, in whole or in part, at any time and from time to time, at a Redemption Price equal to 100% of the principal amount of the Securities to be redeemed, plus accrued and unpaid interest thereon to the Redemption Date.

“Par Call Date” means December 15, 2028.

“Treasury Rate” means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM or any successor designation or publication is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury

security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company's actions and determinations in determining the Redemption Price shall be conclusive and binding for all purposes, absent manifest error. The Company will notify the Trustee of the Redemption Price promptly after the calculation thereof and the Trustee shall not be responsible or liable for any calculation of the Redemption Price or of any component thereof, or for determining whether manifest error has occurred.

Securities called for redemption become due on the Redemption Date. Notices of redemption will be mailed or electronically delivered (or otherwise transmitted in accordance with the Depository's procedures) at least 10 but not more than 60 days before the Redemption Date to each holder of record of the Securities to be redeemed at its registered address. The notice of redemption for the Securities will state, among other things, the amount of Securities to be redeemed, the Redemption Date, the Redemption Price or, if not ascertainable, the manner of determining the Redemption Price and the place(s) that payment will be made upon presentation and surrender of Securities to be redeemed. Unless the Company defaults in payment of the Redemption Price, interest will cease to accrue on any Securities that have been called for redemption at the Redemption Date. If less than all the Securities are redeemed at any time, the Trustee will select the Securities to be redeemed on a pro rata basis, by lot or by such other method as the Trustee in its sole discretion deems appropriate and fair. In the case of Securities in global form, the Depository will determine the allocation of the Redemption Price among beneficial owners in such global Securities in accordance with the Depository's applicable procedures.

Except as set forth above, the Securities will not be redeemable prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.

The Securities may be redeemed in part in a minimum principal amount of \$2,000, or any integral multiple of \$1,000 in excess thereof.

Any such redemption will also comply with Article Eleven of the Indenture.

6. *Change of Control Offer.*

If a Change of Control Triggering Event occurs, unless the Company has exercised its option to redeem the Securities as described in Section 5, the Company shall make an offer (a "Change of Control Offer") to each Holder of the Securities to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that Holder's Securities on the terms set forth herein. In a Change of Control Offer, the Company shall offer payment in cash equal to 101% of the aggregate principal amount of Securities repurchased (a "Change of Control Payment"), plus accrued and unpaid interest, if any, on the Securities repurchased to the date of repurchase, subject to the right of holders of record on the applicable record date to receive interest due on the next Interest Payment Date.

Within 30 days following any Change of Control Triggering Event or, at the Company's option, prior to any Change of Control, but after public announcement of the transaction that

constitutes or may constitute the Change of Control, the Company shall mail a notice to Holders of the Securities describing the transaction that constitutes or may constitute the Change of Control Triggering Event and offering to repurchase such Securities on the date specified in the applicable notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (a “Change of Control Payment Date”). The notice may, if mailed prior to the date of consummation of the Change of Control, state that the Change of Control Offer is conditioned on the Change of Control Triggering Event occurring on or prior to the applicable Change of Control Payment Date.

Upon the Change of Control Payment Date, the Company shall, to the extent lawful:

- accept for payment all Securities or portions of Securities properly tendered and not withdrawn pursuant to the Change of Control Offer;
- deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Securities or portions of Securities properly tendered; and
- deliver or cause to be delivered to the Trustee the Securities properly accepted together with an Officers’ Certificate stating the aggregate principal amount of Securities or portions of Securities being repurchased.

The Company need not make a Change of Control Offer upon the occurrence of a Change of Control Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and the third party repurchases all Securities properly tendered and not withdrawn under its offer. In addition, the Company shall not repurchase any Securities if there has occurred and is continuing on the Change of Control Payment Date an Event of Default under the Indenture, other than a default in the payment of the Change of Control Payment upon a Change of Control Triggering Event.

The Company will comply with the applicable requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Securities as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Offer provisions of this Security, the Company will comply with those securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control Offer provisions of this Security by virtue of any such conflict.

For purposes of the Change of Control Offer provisions of the Securities, the following terms are applicable:

“Change of Control” means the occurrence of any of the following: (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or more series of related transactions, of all or substantially all of the Company’s assets and the assets of its Subsidiaries, taken as a whole, to any person, other than the

Company or one of its Subsidiaries; (2) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company or other Voting Stock into which the Company's Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of shares; (3) the Company consolidates with, or merges with or into, any person, or any person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or the Voting Stock of such other person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving person or any direct or indirect parent company of the surviving person, measured by voting power rather than number of shares, immediately after giving effect to such transaction; or (4) the adoption of a plan relating to the liquidation or dissolution of the Company.

Notwithstanding the preceding, a transaction will not be deemed to involve a Change of Control under clause (2) above if (i) the Company becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of Voting Stock of the Company immediately prior to that transaction or (B) immediately following that transaction no person (other than a holding company satisfying the requirements of this sentence) is the beneficial owner, directly or indirectly, of more than 50% of the Voting Stock of such holding company. The term "person," as used in this definition, has the meaning given thereto in Section 13(d)(3) of the Exchange Act.

"Change of Control Triggering Event" means the occurrence of both a Change of Control and a Rating Event.

"Fitch" means Fitch Inc. and its successors.

"Investment Grade Rating" means a rating equal to or higher than BBB- (or the equivalent) by Fitch, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, and the equivalent investment grade credit rating from any replacement Rating Agency or Rating Agencies selected by the Company.

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Rating Agencies" means (1) each of Fitch, Moody's and S&P and (2) if any of Fitch, Moody's or S&P ceases to rate the Securities or fails to make a rating of the Securities publicly available for reasons outside of the Company's control, a "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) of the Exchange Act selected by the Company (as certified by a resolution of the Board of Directors of the Company) as a replacement agency for Fitch, Moody's or S&P, or all of them, as the case may be.

"Rating Event" means the rating on the Securities is lowered by at least two of the three Rating Agencies and the Securities are rated below an Investment Grade Rating by at least two of

the three Rating Agencies, in any case on any day during the period (which period will be extended so long as the rating of the Securities is under publicly announced consideration for a possible downgrade by any of the rating agencies) commencing 60 days prior to the first public notice of the occurrence of a Change of Control or the Company's intention to effect a Change of Control and ending 60 days following consummation of such Change of Control.

"S&P" means S&P Global Ratings, a division of S&P Global Inc., and its successors.

"Voting Stock" means, with respect to any specified "person" (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date, the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

7. *Denominations; Transfer; Exchange.*

The Securities are issued in registered form, without coupons, in a minimum denomination of \$2,000 and integral multiples of \$1,000 in excess thereof. A Holder may register the transfer of, or exchange, Securities in accordance with the Indenture and the Officers' Certificate. The Securities Registrar may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Indenture.

8. *Person Deemed Owners.*

The registered Holder of a Security may be treated as the owner of it for all purposes.

9. *Amendment; Supplement; Waiver.*

Subject to certain exceptions, the Indenture may be amended or supplemented, and any existing Event of Default or compliance with any provision may be waived, with the consent of the Holders of a majority in principal amount of the Outstanding Debt Securities of each series affected. Without consent of any Holder, the parties thereto may amend or supplement the Indenture or the Securities to, among other things, cure any ambiguity, defect or inconsistency, or make any other change that does not adversely affect the interests of any Holder of a Security in any material respect. Any such consent or waiver by the Holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Security and any Securities which may be issued in exchange or substitution herefor, irrespective of whether or not any notation thereof is made upon this Security or such other Securities.

10. *Defaults and Remedies.*

If an Event of Default with respect to the Securities occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Securities then Outstanding may declare the principal amount of all the Securities to be due and payable immediately in the manner and with the effect provided in the Indenture. Notwithstanding the preceding sentence, however, if at any time after such a declaration of acceleration has been made and before judgment or decree for payment of the money due has been obtained by the Trustee as

provided in the Indenture, the Holders of a majority in principal amount of the Outstanding Securities, by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences if (1) the Company has paid or deposited with the Trustee a sum sufficient to pay (A) all overdue interest on all Securities, (B) the principal of (and premium, if any, on) any Securities which has become due otherwise than by such declaration of acceleration and any interest thereon at the rate prescribed therefor herein, (C) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate prescribed therefor herein, and (D) all sums paid or advanced by the Trustee and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and (2) all Events of Default under the Indenture with respect to the Securities, other than the nonpayment of the principal of Securities which has become due solely by such declaration acceleration, shall have been cured or shall have been waived. No such rescission shall affect any subsequent Event of Default or shall impair any right consequent thereon. Holders of Securities may not enforce the Indenture or the Securities except as provided in the Indenture. The Trustee may require indemnity satisfactory to it before it enforces the Indenture or the Securities. Subject to certain limitations, Holders of a majority in aggregate principal amount of the Securities then outstanding may direct the Trustee in its exercise of any trust or power.

11. *Trustee Dealings with Company.*

The Trustee under the Indenture, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company and its Affiliates and any subsidiary of the Company's Affiliates, and may otherwise deal with the Company and its Affiliates as if it were not the Trustee.

12. *Authentication.*

This Security shall not be valid until the Trustee or authenticating agent signs the certificate of authentication on the other side of this Security.

13. *Abbreviations and Defined Terms.*

Customary abbreviations may be used in the name of a Holder of a Security or an assignee, such as: TEN COM (tenant in common), TEN ENT (tenants by the entireties), JT TEN (joint tenants with right of survivorship and not as tenants in common), CUST (Custodian), and U/G/M/A (Uniform Gifts to Minors Act).

14. *CUSIP Numbers.*

Pursuant to a recommendation promulgated by the Committee on Uniform Note Identification Procedures, the Company has caused CUSIP numbers to be printed on the Securities as a convenience to the Holders of the Securities. No representation is made as to the accuracy of such number as printed on the Securities and reliance may be placed only on the other identification numbers printed hereon.

15. *Absolute Obligation.*

No reference herein to the Indenture and no provision of this Security or the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Security in the manner, at the respective times, at the rate and in the coin or currency herein prescribed.

16. *No Recourse.*

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, past, present or future stockholder, officer or director, as such of the Company or of any successor, either directly or through the Company or of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Security by the Holder and as part of the consideration for the issue of the Security.

17. *Governing Law.*

This Security shall be construed in accordance with and governed by the laws of the State of New York.

18. *Guarantee.*

The Securities will be fully and unconditionally guaranteed on a senior basis by the Company's wholly owned subsidiary, Waste Management Holdings, Inc., pursuant to the terms and conditions of a Guarantee, dated as of November 8, 2024 (the "Guarantee"). The amount of the Guarantee will be limited to the extent required under applicable fraudulent conveyance laws to cause the Guarantee to be enforceable. The terms and conditions of the Guarantee shall continue in full force and effect for the benefit of holders of the Securities until release thereof as set forth in Section 6 of the Guarantee.

19. *Satisfaction and Discharge.*

The Securities will be subject to Section 401 of the Indenture; provided, however, that solely with respect to the Securities, Section 401(1)(B) of the Indenture shall be deleted in its entirety and replaced with the following:

"(B) all such Securities and, in the case of (i) or (ii) below, any coupons appertaining thereto not theretofore delivered to the Trustee for cancellation:

- (i) have become due and payable, or
- (ii) will become due and payable at their Stated Maturity within one year, or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company;

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds, U.S. Legal Tender, U.S. Governmental Obligations or a combination thereof, an amount sufficient to pay and discharge the entire indebtedness on such Securities and coupons not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and any interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be (provided that, upon any redemption that requires the payment of any make-whole or other premium, (x) the amount of cash that must be deposited shall be determined using an assumed applicable premium calculated as of the date of such deposit and (y) the Company shall deposit any deficit in trust on or prior to the Redemption Date as necessary to pay the applicable premium as determined by such date).

For purposes of this section, "U.S. Governmental Obligations" means direct non-callable obligations of, or guaranteed by, the United States of America for the payment of which guarantee or obligations the full faith and credit of the United States is pledged."

SCHEDULE OF EXCHANGES OF DEFINITIVE SECURITY

The following exchanges of a part of this Book-Entry Security for definitive Securities have been made:

<b>Date of Exchange</b>	<b>Amount of decrease in Principal Amount of this Book-Entry Security</b>	<b>Amount of increase in Principal Amount of this Book-Entry Security</b>	<b>Principal Amount of this Book-Entry Security following such decrease (or increase)</b>	<b>Signature of authorized officer of Trustee or Security Custodian</b>
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**FIRST AMENDMENT TO EMPLOYMENT AGREEMENT**

This First Amendment to the First Amended and Restated Employment Agreement dated December 22, 2017 (“Agreement”) is made and entered into on this May 14, 2025, by and between USA Waste-Management Resources, LLC, (“UWWR”) for itself and on behalf of Waste Management, Inc. (“WMI”) and its subsidiaries and affiliated entities (collectively, “Company”) and John J. Morris (“Executive”). Executive and the Company are referred to individually herein as a “Party” and collectively as the “Parties.”

**WHEREAS**, the Parties hereto desire to amend the Agreement to reflect Executive’s promotion to President of the Company;

**WHEREAS**, the Company desires to continue to employ Executive as President, and Executive desires to continue to be employed by the Company as President for the revised consideration set forth herein; and

**WHEREAS**, all provisions and terms and conditions of the Agreement not affected by this First Amendment remain in effect and fully enforceable by the Parties.

**NOW, THEREFORE**, for and in consideration of the mutual promises, covenants and obligations contained herein and, in the Agreement, the Company and Executive agree as follows:

The following provisions are amended in their entirety and replaced by the following:

“3. **Duties and Responsibilities.**

- (a) Executive is employed by UWWR, an entity that provides employee services to WMI and to various subsidiaries and affiliated entities pursuant to one or more master services agreements. Executive shall perform such duties and services as may be assigned to Executive pursuant to such master services agreement. Executive’s employment and the Agreement may be transferred or assigned to another subsidiary or affiliated entity of Company. Among other duties and responsibilities that may be assigned, Executive shall serve as WMI’s President. In such capacity, Executive shall perform such duties and have the power, authority and functions consistent with such position.

4. **Compensation and Benefits.**

- (a) **Base Salary.** During the Employment Period, the Company shall pay Executive a base salary at the annual rate of One Million Dollars (\$1,000,000) per year, or such rate as may be determined from time to time by the Management Development and Compensation Committee (“Compensation Committee”) of the Board (“Base Salary”). Such Base Salary shall be paid in accordance with the Company’s standard payroll practice for its executive officers. Base Salary shall not be reduced except by mutual agreement.
- (b) **Annual Bonus.** During the Employment Period, Executive will be entitled to
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participate in an annual incentive compensation plan of the Company, as established by the Compensation Committee from time to time. Executive's target annual bonus under this Agreement will be One Hundred Twenty Five Percent (125%) of the Base Salary in effect for such year ("Target Bonus"), and the actual annual bonus will be determined based upon the achievement of certain corporate financial and/or performance goals, as may be established and approved from time to time by the Compensation Committee. The annual bonus will be paid no later than March 15<sup>th</sup> of the year following the year with respect to which it was earned.

18. **Notices.** Any notice, consent, request, or other communication made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by registered or certified mail, return receipt requested, or by facsimile or by hand delivery, to those listed below at their following respective addresses or at such other address as each may specify by notice to the others:

To the Company:           USA Waste-Management Resources, LLC  
800 Capitol Street  
Suite 3000  
Houston, Texas 77002  
Attention: Chief Legal Officer

To Executive:             At the address for Executive on file with the Company.

*[Signature Page Follows]*

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IN WITNESS WHEREOF, this First Amendment to the First Amended and Restated Employment Agreement is EXCECUTED as of the date first set forth above and effective as set forth therein.

**EXECUTIVE:**

**WASTE-MANAGEMENT RESOURCES, LLC**

/s/ John J. Morris  
\_\_\_\_\_  
John J. Morris

/s/ Courtney A. Tippy  
\_\_\_\_\_  
Courtney A. Tippy  
Vice President and Secretary

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## GUARANTOR SUBSIDIARY

As of June 30, 2025, Waste Management Holdings, Inc. (“WM Holdings”), a Delaware corporation and a direct wholly-owned subsidiary of Waste Management, Inc. (“WMI”), has fully and unconditionally guaranteed all registered Senior Notes issued by WMI, as listed below. Additionally, WMI has fully and unconditionally guaranteed the 7.10% Senior Notes due 2026 issued by WM Holdings.

Principal Amount Issued	Interest Rate (per annum)	Issue Date	Maturity Date
\$ 600 million	7.00%	7/17/1998	7/15/2028
\$ 250 million	7.375%	1/21/2000	5/15/2029
\$ 500 million	7.75%	1/3/2003	5/15/2032
\$ 600 million	6.125%	11/17/2009	11/30/2039
\$ 450 million	3.90%	2/26/2015	3/1/2035
\$ 750 million	4.10%	2/26/2015	3/1/2045
\$ 750 million	3.15%	11/8/2017	11/15/2027
\$ 1 billion	4.15%	5/22/2019	7/15/2049
\$ 500 million	0.75%	11/17/2020	11/15/2025
\$ 500 million	1.15%	11/17/2020	3/15/2028
\$ 1 billion	1.50%	11/17/2020	3/15/2031
\$ 500 million	2.50%	11/17/2020	11/15/2050
\$ 475 million	2.00%	5/12/2021	6/1/2029
\$ 475 million	2.95%	5/12/2021	6/1/2041
\$ 1 billion	4.15%	5/12/2022	4/15/2032
\$ 750 million	4.625%	2/15/2023	2/15/2030
\$ 500 million	4.625%	2/15/2023	2/15/2033
\$ 750 million	4.875%	8/3/2023	2/15/2029
\$ 1.250 billion	4.875%	8/3/2023	2/15/2034
\$ 750 million	4.950%	7/3/2024	7/3/2027
\$ 750 million	4.950%	7/3/2024	7/3/2031
\$ 1 billion	4.500%	11/4/2024	3/15/2028
\$ 700 million	4.650%	11/4/2024	3/15/2030
\$ 750 million	4.800%	11/4/2024	3/15/2032
\$ 1.5 billion	4.950%	11/4/2024	3/15/2035
\$ 1.25 billion	5.350%	11/4/2024	10/15/2054
\$ 484 million*	3.875%	6/25/2025	1/15/2029

\* These Senior Notes were issued pursuant to an offer to exchange up to \$485 million of outstanding unregistered notes previously issued by WMI in a private exchange offer in connection with WMI’s acquisition of Stericycle, Inc.









### Mine Safety Disclosures

This exhibit contains certain specified disclosures regarding mine safety required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K. Certain of our subsidiaries have permits for surface mining operations that are incidental to excavation work for landfill development.

During the quarter ended June 30, 2025, we did not receive any of the following: (a) a citation from the U.S. Mine Safety and Health Administration (“MSHA”) for a violation of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Federal Mine Safety and Health Act of 1977 (the “Mine Safety Act”); (b) an order issued under section 104(b) of the Mine Safety Act; (c) a citation or order for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Safety Act; (d) a flagrant violation under section 110(b)(2) of the Mine Safety Act; or (e) an imminent danger order under section 107(a) of the Mine Safety Act or (f) a proposed assessment from the MSHA.

In addition, during the quarter ended June 30, 2025, we had no mining-related fatalities, we had no pending legal actions before the Federal Mine Safety and Health Review Commission involving a coal or other mine, and we did not receive any written notice from the MSHA involving a pattern of violations, or the potential to have such a pattern, of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under section 104(e) of the Mine Safety Act.

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